

# Code of Ethics and Standards of Practice of the NATIONAL ASSOCIATION OF REALTORS®

Effective January 1, 2018

Where the word REALTORS® is used in this Code and Preamble, it shall be deemed to include REALTOR-ASSOCIATE®s.

While the Code of Ethics establishes obligations that may be higher than those mandated by law, in any instance where the Code of Ethics and the law conflict, the obligations of the law must take precedence.

## Preamble

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. REALTORS® should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

Such interests impose obligations beyond those of ordinary commerce. They impose grave social responsibility and a patriotic duty to which REALTORS® should dedicate themselves, and for which they should be diligent in preparing themselves. REALTORS®, therefore, are zealous to maintain and improve the standards of their calling and share with their fellow REALTORS® a common responsibility for its integrity and honor.

In recognition and appreciation of their obligations to clients, customers, the public, and each other, REALTORS® continuously strive to become and remain informed on issues affecting real estate and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the real estate profession. REALTORS® having direct personal knowledge of conduct that may violate the Code of Ethics involving misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm, bring such matters to the attention of the appropriate Board or Association of REALTORS®. (Amended 1/00)

Realizing that cooperation with other real estate professionals promotes the best interests of those who utilize their services, REALTORS® urge exclusive representation of clients; do not attempt to gain any unfair advantage over their competitors; and they refrain from making unsolicited comments about other practitioners. In instances where their opinion is sought, or where REALTORS® believe that comment is necessary, their opinion is offered in an objective, professional manner, uninfluenced by any personal motivation or potential advantage or gain.

The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal.

In the interpretation of this obligation, REALTORS® can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, "Whatsoever ye would that others should do to you, do ye even so to them."

Accepting this standard as their own, REALTORS® pledge to observe its spirit in all of their activities whether conducted personally, through associates or others, or via technological means, and to conduct their business in accordance with the tenets set forth below. (Amended 1/07)

## Duties to Clients and Customers

### Article 1

When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly. (Amended 1/01)

#### • Standard of Practice 1-1

REALTORS®, when acting as principals in a real estate transaction, remain obligated by the duties imposed by the Code of Ethics. (Amended 1/93)

#### • Standard of Practice 1-2

The duties imposed by the Code of Ethics encompass all real estate-related activities and transactions whether conducted in person, electronically, or through any other means.

The duties the Code of Ethics imposes are applicable whether REALTORS® are acting as agents or in legally recognized non-agency capacities except that any duty imposed exclusively on agents by law or regulation shall not be imposed by this Code of Ethics on REALTORS® acting in non-agency capacities.

As used in this Code of Ethics, "client" means the person(s) or entity(ies) with whom a REALTOR® or a REALTOR®'s firm has an agency or legally recognized non-agency relationship; "customer" means a party to a real estate transaction who receives information, services, or benefits but has no contractual relationship with the REALTOR® or the REALTOR®'s firm; "prospect" means a purchaser, seller, tenant, or landlord who is not subject to a representation relationship with the REALTOR® or REALTOR®'s firm; "agent" means a real estate licensee (including brokers and sales associates) acting in an agency relationship as defined by state law or regulation; and "broker" means a real estate licensee (including brokers and sales associates) acting as an agent or in a legally recognized non-agency capacity. (Adopted 1/95, Amended 1/07)

#### • Standard of Practice 1-3

REALTORS®, in attempting to secure a listing, shall not deliberately mislead the owner as to market value.

#### • Standard of Practice 1-4

REALTORS®, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of the REALTOR®'s services. (Amended 1/93)

#### • Standard of Practice 1-5

REALTORS® may represent the seller/landlord and buyer/tenant in the

same transaction only after full disclosure to and with informed consent of both parties. *(Adopted 1/93)*

• **Standard of Practice 1-6**

REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. *(Adopted 1/93, Amended 1/95)*

• **Standard of Practice 1-7**

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. *(Amended 1/93)*

• **Standard of Practice 1-8**

REALTORS®, acting as agents or brokers of buyers/tenants, shall submit to buyers/tenants all offers and counter-offers until acceptance but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing. REALTORS®, acting as agents or brokers of buyers/tenants, shall recommend that buyers/tenants obtain the advice of legal counsel if there is a question as to whether a pre-existing contract has been terminated. *(Adopted 1/93, Amended 1/99)*

• **Standard of Practice 1-9**

The obligation of REALTORS® to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. REALTORS® shall not knowingly, during or following the termination of professional relationships with their clients:

- 1) reveal confidential information of clients; or
- 2) use confidential information of clients to the disadvantage of clients; or
- 3) use confidential information of clients for the REALTOR®'s advantage or the advantage of third parties unless:
  - a) clients consent after full disclosure; or
  - b) REALTORS® are required by court order; or
  - c) it is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
  - d) it is necessary to defend a REALTOR® or the REALTOR®'s employees or associates against an accusation of wrongful conduct.

Information concerning latent material defects is not considered confidential information under this Code of Ethics. *(Adopted 1/93, Amended 1/01)*

• **Standard of Practice 1-10**

REALTORS® shall, consistent with the terms and conditions of their real estate licensure and their property management agreement, competently manage the property of clients with due regard for the rights, safety and health of tenants and others lawfully on the premises. *(Adopted 1/95, Amended 1/00)*

• **Standard of Practice 1-11**

REALTORS® who are employed to maintain or manage a client's property shall exercise due diligence and make reasonable efforts to protect it against reasonably foreseeable contingencies and losses. *(Adopted 1/95)*

• **Standard of Practice 1-12**

When entering into listing contracts, REALTORS® must advise sellers/landlords of:

- 1) the REALTOR®'s company policies regarding cooperation and the amount(s) of any compensation that will be offered to subagents, buyer/tenant agents, and/or brokers acting in legally recognized non-agency capacities;

- 2) the fact that buyer/tenant agents or brokers, even if compensated by listing brokers, or by sellers/landlords may represent the interests of buyers/tenants; and
- 3) any potential for listing brokers to act as disclosed dual agents, e.g., buyer/tenant agents. *(Adopted 1/93, Renumbered 1/98, Amended 1/03)*

• **Standard of Practice 1-13**

When entering into buyer/tenant agreements, REALTORS® must advise potential clients of:

- 1) the REALTOR®'s company policies regarding cooperation;
- 2) the amount of compensation to be paid by the client;
- 3) the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties;
- 4) any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g., listing broker, subagent, landlord's agent, etc.; and
- 5) the possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties. *(Adopted 1/93, Renumbered 1/98, Amended 1/06)*

• **Standard of Practice 1-14**

Fees for preparing appraisals or other valuations shall not be contingent upon the amount of the appraisal or valuation. *(Adopted 1/02)*

• **Standard of Practice 1-15**

REALTORS®, in response to inquiries from buyers or cooperating brokers shall, with the sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, REALTORS® shall also disclose, if asked, whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. *(Adopted 1/03, Amended 1/09)*

• **Standard of Practice 1-16**

REALTORS® shall not access or use, or permit or enable others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller. *(Adopted 1/12)*

## Article 2

REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency or non-agency relationships as defined by state law. *(Amended 1/00)*

• **Standard of Practice 2-1**

REALTORS® shall only be obligated to discover and disclose adverse factors reasonably apparent to someone with expertise in those areas required by their real estate licensing authority. Article 2 does not impose upon the REALTOR® the obligation of expertise in other professional or technical disciplines. *(Amended 1/96)*

• **Standard of Practice 2-2**

*(Renumbered as Standard of Practice 1-12 1/98)*

• **Standard of Practice 2-3**

*(Renumbered as Standard of Practice 1-13 1/98)*

• **Standard of Practice 2-4**

REALTORS® shall not be parties to the naming of a false consideration in any document, unless it be the naming of an obviously nominal consideration.

• **Standard of Practice 2-5**

Factors defined as "non-material" by law or regulation or which are expressly referenced in law or regulation as not being subject to disclosure are considered not "pertinent" for purposes of Article 2. *(Adopted 1/93)*

### Article 3

REALTORS® shall cooperate with other brokers except when cooperation is not in the client's best interest. The obligation to cooperate does not include the obligation to share commissions, fees, or to otherwise compensate another broker. *(Amended 1/95)*

- **Standard of Practice 3-1**

REALTORS®, acting as exclusive agents or brokers of sellers/ landlords, establish the terms and conditions of offers to cooperate. Unless expressly indicated in offers to cooperate, cooperating brokers may not assume that the offer of cooperation includes an offer of compensation. Terms of compensation, if any, shall be ascertained by cooperating brokers before beginning efforts to accept the offer of cooperation. *(Amended 1/99)*

- **Standard of Practice 3-2**

Any change in compensation offered for cooperative services must be communicated to the other REALTOR® prior to the time that REALTOR® submits an offer to purchase/lease the property. After a REALTOR® has submitted an offer to purchase or lease property, the listing broker may not attempt to unilaterally modify the offered compensation with respect to that cooperative transaction. *(Amended 1/14)*

- **Standard of Practice 3-3**

Standard of Practice 3-2 does not preclude the listing broker and cooperating broker from entering into an agreement to change cooperative compensation. *(Adopted 1/94)*

- **Standard of Practice 3-4**

REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker's firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. *(Amended 1/02)*

- **Standard of Practice 3-5**

It is the obligation of subagents to promptly disclose all pertinent facts to the principal's agent prior to as well as after a purchase or lease agreement is executed. *(Amended 1/93)*

- **Standard of Practice 3-6**

REALTORS® shall disclose the existence of accepted offers, including offers with unresolved contingencies, to any broker seeking cooperation. *(Adopted 5/86, Amended 1/04)*

- **Standard of Practice 3-7**

When seeking information from another REALTOR® concerning property under a management or listing agreement, REALTORS® shall disclose their REALTOR® status and whether their interest is personal or on behalf of a client and, if on behalf of a client, their relationship with the client. *(Amended 1/11)*

- **Standard of Practice 3-8**

REALTORS® shall not misrepresent the availability of access to show or inspect a listed property. *(Amended 11/87)*

- **Standard of Practice 3-9**

REALTORS® shall not provide access to listed property on terms

other than those established by the owner or the listing broker. *(Adopted 1/10)*

- **Standard of Practice 3-10**

The duty to cooperate established in Article 3 relates to the obligation to share information on listed property, and to make property available to other brokers for showing to prospective purchasers/tenants when it is in the best interests of sellers/landlords. *(Adopted 1/11)*

### Article 4

REALTORS® shall not acquire an interest in or buy or present offers from themselves, any member of their immediate families, their firms or any member thereof, or any entities in which they have any ownership interest, any real property without making their true position known to the owner or the owner's agent or broker. In selling property they own, or in which they have any interest, REALTORS® shall reveal their ownership or interest in writing to the purchaser or the purchaser's representative. *(Amended 1/00)*

- **Standard of Practice 4-1**

For the protection of all parties, the disclosures required by Article 4 shall be in writing and provided by REALTORS® prior to the signing of any contract. *(Adopted 2/86)*

### Article 5

REALTORS® shall not undertake to provide professional services concerning a property or its value where they have a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

### Article 6

REALTORS® shall not accept any commission, rebate, or profit on expenditures made for their client, without the client's knowledge and consent.

When recommending real estate products or services (e.g., homeowner's insurance, warranty programs, mortgage financing, title insurance, etc.), REALTORS® shall disclose to the client or customer to whom the recommendation is made any financial benefits or fees, other than real estate referral fees, the REALTOR® or REALTOR®'s firm may receive as a direct result of such recommendation. *(Amended 1/99)*

- **Standard of Practice 6-1**

REALTORS® shall not recommend or suggest to a client or a customer the use of services of another organization or business entity in which they have a direct interest without disclosing such interest at the time of the recommendation or suggestion. *(Amended 5/88)*

### Article 7

In a transaction, REALTORS® shall not accept compensation from more than one party, even if permitted by law, without disclosure to all parties and the informed consent of the REALTOR®'s client or clients. *(Amended 1/93)*

### Article 8

REALTORS® shall keep in a special account in an appropriate financial institution, separated from their own funds, monies coming into their possession in trust for other persons, such as escrows, trust funds, clients' monies, and other like items.

### Article 9

REALTORS®, for the protection of all parties, shall assure whenever possible that all agreements related to real estate transactions including, but not limited to, listing and representation agreements, purchase contracts, and leases are in writing in clear and understandable language expressing the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party to such agreements upon their signing or initialing. *(Amended 1/04)*

• **Standard of Practice 9-1**

For the protection of all parties, REALTORS® shall use reasonable care to ensure that documents pertaining to the purchase, sale, or lease of real estate are kept current through the use of written extensions or amendments. *(Amended 1/93)*

• **Standard of Practice 9-2**

When assisting or enabling a client or customer in establishing a contractual relationship (e.g., listing and representation agreements, purchase agreements, leases, etc.) electronically, REALTORS® shall make reasonable efforts to explain the nature and disclose the specific terms of the contractual relationship being established prior to it being agreed to by a contracting party. *(Adopted 1/07)*

## Duties to the Public

### Article 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

• **Standard of Practice 10-1**

When involved in the sale or lease of a residence, REALTORS® shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which may result in panic selling, however, REALTORS® may provide other demographic information. *(Adopted 1/94, Amended 1/06)*

• **Standard of Practice 10-2**

When not involved in the sale or lease of a residence, REALTORS® may provide demographic information related to a property, transaction or professional assignment to a party if such demographic information is (a) deemed by the REALTOR® to be needed to assist with or complete, in a manner consistent with Article 10, a real estate transaction or professional assignment and (b) is obtained or derived from a recognized, reliable, independent, and impartial source. The source of such information and any additions, deletions, modifications, interpretations, or other changes shall be disclosed in reasonable detail. *(Adopted 1/05, Renumbered 1/06)*

• **Standard of Practice 10-3**

REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Adopted 1/94, Renumbered 1/05 and 1/06, Amended 1/14)*

• **Standard of Practice 10-4**

As used in Article 10 "real estate employment practices" relates to employees and independent contractors providing real estate-related services and the administrative and clerical staff directly supporting those individuals. *(Adopted 1/00, Renumbered 1/05 and 1/06)*

### Article 11

The services which REALTORS® provide to their clients and customers shall conform to the standards of practice and competence which are

reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, land brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

REALTORS® shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth. *(Amended 1/10)*

• **Standard of Practice 11-1**

When REALTORS® prepare opinions of real property value or price they must:

- 1) be knowledgeable about the type of property being valued,
- 2) have access to the information and resources necessary to formulate an accurate opinion, and
- 3) be familiar with the area where the subject property is located

unless lack of any of these is disclosed to the party requesting the opinion in advance.

When an opinion of value or price is prepared other than in pursuit of a listing or to assist a potential purchaser in formulating a purchase offer, the opinion shall include the following unless the party requesting the opinion requires a specific type of report or different data set:

- 1) identification of the subject property
  - 2) date prepared
  - 3) defined value or price
  - 4) limiting conditions, including statements of purpose(s) and intended user(s)
  - 5) any present or contemplated interest, including the possibility of representing the seller/landlord or buyers/tenants
  - 6) basis for the opinion, including applicable market data
  - 7) if the opinion is not an appraisal, a statement to that effect
  - 8) disclosure of whether and when a physical inspection of the property's exterior was conducted
  - 9) disclosure of whether and when a physical inspection of the property's interior was conducted
  - 10) disclosure of whether the REALTOR® has any conflicts of interest
- (Amended 1/14)*

• **Standard of Practice 11-2**

The obligations of the Code of Ethics in respect of real estate disciplines other than appraisal shall be interpreted and applied in accordance with the standards of competence and practice which clients and the public reasonably require to protect their rights and interests considering the complexity of the transaction, the availability of expert assistance, and, where the REALTOR® is an agent or subagent, the obligations of a fiduciary. *(Adopted 1/95)*

• **Standard of Practice 11-3**

When REALTORS® provide consultative services to clients which involve advice or counsel for a fee (not a commission), such advice shall be rendered in an objective manner and the fee shall not be contingent on the substance of the advice or counsel given. If brokerage or transaction services are to be provided in addition to consultative services, a separate compensation may be paid with prior agreement between the client and REALTOR®. *(Adopted 1/96)*

• **Standard of Practice 11-4**

The competency required by Article 11 relates to services contracted for between REALTORS® and their clients or customers; the duties expressly

imposed by the Code of Ethics; and the duties imposed by law or regulation. *(Adopted 1/02)*

## Article 12

REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations. REALTORS® shall ensure that their status as real estate professionals is readily apparent in their advertising, marketing, and other representations, and that the recipients of all real estate communications are, or have been, notified that those communications are from a real estate professional. *(Amended 1/08)*

### • Standard of Practice 12-1

REALTORS® may use the term "free" and similar terms in their advertising and in other representations provided that all terms governing availability of the offered product or service are clearly disclosed at the same time. *(Amended 1/97)*

### • Standard of Practice 12-2

REALTORS® may represent their services as "free" or without cost even if they expect to receive compensation from a source other than their client provided that the potential for the REALTOR® to obtain a benefit from a third party is clearly disclosed at the same time. *(Amended 1/97)*

### • Standard of Practice 12-3

The offering of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease is not, in itself, unethical even if receipt of the benefit is contingent on listing, selling, purchasing, or leasing through the REALTOR® making the offer. However, REALTORS® must exercise care and candor in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the REALTOR®'s offer will have clear, thorough, advance understanding of all the terms and conditions of the offer. The offering of any inducements to do business is subject to the limitations and restrictions of state law and the ethical obligations established by any applicable Standard of Practice. *(Amended 1/95)*

### • Standard of Practice 12-4

REALTORS® shall not offer for sale/lease or advertise property without authority. When acting as listing brokers or as subagents, REALTORS® shall not quote a price different from that agreed upon with the seller/landlord. *(Amended 1/93)*

### • Standard of Practice 12-5

REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise real estate services or listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of that REALTOR®'s firm in a reasonable and readily apparent manner either in the advertisement or in electronic advertising via a link to a display with all required disclosures. *(Adopted 11/86, Amended 1/16)*

### • Standard of Practice 12-6

REALTORS®, when advertising unlisted real property for sale/lease in which they have an ownership interest, shall disclose their status as both owners/landlords and as REALTORS® or real estate licensees. *(Amended 1/93)*

### • Standard of Practice 12-7

Only REALTORS® who participated in the transaction as the listing broker or cooperating broker (selling broker) may claim to have "sold" the property. Prior to closing, a cooperating broker may post a "sold" sign only with the consent of the listing broker. *(Amended 1/96)*

### • Standard of Practice 12-8

The obligation to present a true picture in representations to the public includes information presented, provided, or displayed on REALTORS® websites. REALTORS® shall use reasonable efforts to ensure that information on their websites is current. When it becomes apparent that information on a REALTOR®'s website is no longer current or accurate, REALTORS® shall promptly take corrective action. *(Adopted 1/07)*

### • Standard of Practice 12-9

REALTOR® firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner.

Websites of REALTORS® and non-member licensees affiliated with a REALTOR® firm shall disclose the firm's name and that REALTOR®'s or non-member licensee's state(s) of licensure in a reasonable and readily apparent manner. *(Adopted 1/07)*

### • Standard of Practice 12-10

REALTORS® obligation to present a true picture in their advertising and representations to the public includes Internet content, images, and the URLs and domain names they use, and prohibits REALTORS® from:

- 1) engaging in deceptive or unauthorized framing of real estate brokerage websites;
  - 2) manipulating (e.g., presenting content developed by others) listing and other content in any way that produces a deceptive or misleading result;
  - 3) deceptively using metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic; or
  - 4) presenting content developed by others without either attribution or without permission; or
  - 5) otherwise misleading consumers, including use of misleading images.
- (Adopted 1/07, Amended 1/18)*

### • Standard of Practice 12-11

REALTORS® intending to share or sell consumer information gathered via the Internet shall disclose that possibility in a reasonable and readily apparent manner. *(Adopted 1/07)*

### • Standard of Practice 12-12

REALTORS® shall not:

- 1) use URLs or domain names that present less than a true picture, or
- 2) register URLs or domain names which, if used, would present less than a true picture. *(Adopted 1/08)*

### • Standard of Practice 12-13

The obligation to present a true picture in advertising, marketing, and representations allows REALTORS® to use and display only professional designations, certifications, and other credentials to which they are legitimately entitled. *(Adopted 1/08)*

## Article 13

REALTORS® shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

## Article 14

If charged with unethical practice or asked to present evidence or to cooperate in any other way, in any professional standards proceeding or investigation, REALTORS® shall place all pertinent facts before the proper tribunals of the Member Board or affiliated institute, society, or council in which membership is held and shall take no action to disrupt or obstruct such processes. *(Amended 1/99)*

- **Standard of Practice 14-1**

REALTORS® shall not be subject to disciplinary proceedings in more than one Board of REALTORS® or affiliated institute, society, or council in which they hold membership with respect to alleged violations of the Code of Ethics relating to the same transaction or event. *(Amended 1/95)*

- **Standard of Practice 14-2**

REALTORS® shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision developed in connection with an ethics hearing or appeal or in connection with an arbitration hearing or procedural review. *(Amended 1/92)*

- **Standard of Practice 14-3**

REALTORS® shall not obstruct the Board's investigative or professional standards proceedings by instituting or threatening to institute actions for libel, slander, or defamation against any party to a professional standards proceeding or their witnesses based on the filing of an arbitration request, an ethics complaint, or testimony given before any tribunal. *(Adopted 11/87, Amended 1/99)*

- **Standard of Practice 14-4**

REALTORS® shall not intentionally impede the Board's investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction. *(Adopted 11/88)*

## Duties to REALTORS®

### Article 15

REALTORS® shall not knowingly or recklessly make false or misleading statements about other real estate professionals, their businesses, or their business practices. *(Amended 1/12)*

- **Standard of Practice 15-1**

REALTORS® shall not knowingly or recklessly file false or unfounded ethics complaints. *(Adopted 1/00)*

- **Standard of Practice 15-2**

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to not knowingly or recklessly publish, repeat, retransmit, or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means (e.g., the Internet), or by any other means. *(Adopted 1/07, Amended 1/12)*

- **Standard of Practice 15-3**

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to publish a clarification about or to remove statements made by others on electronic media the REALTOR® controls once the REALTOR® knows the statement is false or misleading. *(Adopted 1/10, Amended 1/12)*

### Article 16

REALTORS® shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other REALTORS® have with clients. *(Amended 1/04)*

- **Standard of Practice 16-1**

Article 16 is not intended to prohibit aggressive or innovative business practices which are otherwise ethical and does not prohibit disagreements with other REALTORS® involving commission, fees,

compensation or other forms of payment or expenses. *(Adopted 1/93, Amended 1/95)*

- **Standard of Practice 16-2**

Article 16 does not preclude REALTORS® from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another REALTOR®. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed "general" for purposes of this standard. *(Amended 1/04)*

Article 16 is intended to recognize as unethical two basic types of solicitations:

First, telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another REALTOR® and

Second, mail or other forms of written solicitations of prospects whose properties are exclusively listed with another REALTOR® when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, "for sale" or "for rent" signs, or other sources of information required by Article 3 and Multiple Listing Service rules to be made available to other REALTORS® under offers of subagency or cooperation. *(Amended 1/04)*

- **Standard of Practice 16-3**

Article 16 does not preclude REALTORS® from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other REALTORS® to whom such offers to provide services may be made. *(Amended 1/04)*

- **Standard of Practice 16-4**

REALTORS® shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the REALTOR®, refuses to disclose the expiration date and nature of such listing, i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the REALTOR® may contact the owner to secure such information and may discuss the terms upon which the REALTOR® might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing. *(Amended 1/94)*

- **Standard of Practice 16-5**

REALTORS® shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by a REALTOR®, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the REALTOR® may contact the buyer/tenant to secure such information and may discuss the terms upon which the REALTOR® might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement. *(Adopted 1/94, Amended 1/98)*

• **Standard of Practice 16-6**

When REALTORS® are contacted by the client of another REALTOR® regarding the creation of an exclusive relationship to provide the same type of service, and REALTORS® have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement. *(Amended 1/98)*

• **Standard of Practice 16-7**

The fact that a prospect has retained a REALTOR® as an exclusive representative or exclusive broker in one or more past transactions does not preclude other REALTORS® from seeking such prospect's future business. *(Amended 1/04)*

• **Standard of Practice 16-8**

The fact that an exclusive agreement has been entered into with a REALTOR® shall not preclude or inhibit any other REALTOR® from entering into a similar agreement after the expiration of the prior agreement. *(Amended 1/98)*

• **Standard of Practice 16-9**

REALTORS®, prior to entering into a representation agreement, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service. *(Amended 1/04)*

• **Standard of Practice 16-10**

REALTORS®, acting as buyer or tenant representatives or brokers, shall disclose that relationship to the seller/landlord's representative or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease. *(Amended 1/04)*

• **Standard of Practice 16-11**

On unlisted property, REALTORS® acting as buyer/tenant representatives or brokers shall disclose that relationship to the seller/landlord at first contact for that buyer/tenant and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement. *(Amended 1/04)*

REALTORS® shall make any request for anticipated compensation from the seller/landlord at first contact. *(Amended 1/98)*

• **Standard of Practice 16-12**

REALTORS®, acting as representatives or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement. *(Amended 1/04)*

• **Standard of Practice 16-13**

All dealings concerning property exclusively listed, or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's representative or broker, and not with the client, except with the consent of the client's representative or broker or except where such dealings are initiated by the client.

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, REALTORS® shall ask prospects whether they are a party to any exclusive representation agreement. REALTORS® shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects' exclusive representatives or at the direction of prospects. *(Adopted 1/93, Amended 1/04)*

• **Standard of Practice 16-14**

REALTORS® are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent. *(Amended 1/98)*

• **Standard of Practice 16-15**

In cooperative transactions REALTORS® shall compensate cooperating REALTORS® (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other REALTORS® without the prior express knowledge and consent of the cooperating broker.

• **Standard of Practice 16-16**

REALTORS®, acting as subagents or buyer/tenant representatives or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer/tenant representatives or brokers nor make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation. *(Amended 1/04)*

• **Standard of Practice 16-17**

REALTORS®, acting as subagents or as buyer/tenant representatives or brokers, shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker. *(Amended 1/04)*

• **Standard of Practice 16-18**

REALTORS® shall not use information obtained from listing brokers through offers to cooperate made through multiple listing services or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers. *(Amended 1/02)*

• **Standard of Practice 16-19**

Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord. *(Amended 1/93)*

• **Standard of Practice 16-20**

REALTORS®, prior to or after their relationship with their current firm is terminated, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude REALTORS® (principals) from establishing agreements with their associated licensees governing assignability of exclusive agreements. *(Adopted 1/98, Amended 1/10)*

## Article 17

In the event of contractual disputes or specific non-contractual disputes as defined in Standard of Practice 17-4 between REALTORS® (principals) associated with different firms, arising out of their relationship as REALTORS®, the REALTORS® shall mediate the dispute if the Board requires its members to mediate. If the dispute is not resolved through mediation, or if mediation is not required, REALTORS® shall submit the dispute to arbitration in accordance with the policies of the Board rather than litigate the matter.

In the event clients of REALTORS® wish to mediate or arbitrate contractual disputes arising out of real estate transactions, REALTORS® shall mediate or arbitrate those disputes in accordance with the policies of the Board, provided the clients agree to be bound by any resulting agreement or award.

The obligation to participate in mediation and arbitration contemplated by this Article includes the obligation of REALTORS® (principals) to cause their firms to mediate and arbitrate and be bound by any resulting agreement or award. *(Amended 1/12)*



• **Standard of Practice 17-1**

The filing of litigation and refusal to withdraw from it by REALTORS® in an arbitrable matter constitutes a refusal to arbitrate. *(Adopted 2/86)*

• **Standard of Practice 17-2**

Article 17 does not require REALTORS® to mediate in those circumstances when all parties to the dispute advise the Board in writing that they choose not to mediate through the Board's facilities. The fact that all parties decline to participate in mediation does not relieve REALTORS® of the duty to arbitrate.

Article 17 does not require REALTORS® to arbitrate in those circumstances when all parties to the dispute advise the Board in writing that they choose not to arbitrate before the Board. *(Amended 1/12)*

• **Standard of Practice 17-3**

REALTORS®, when acting solely as principals in a real estate transaction, are not obligated to arbitrate disputes with other REALTORS® absent a specific written agreement to the contrary. *(Adopted 1/96)*

• **Standard of Practice 17-4**

Specific non-contractual disputes that are subject to arbitration pursuant to Article 17 are:

- 1) Where a listing broker has compensated a cooperating broker and another cooperating broker subsequently claims to be the procuring cause of the sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the listing broker and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97, Amended 1/07)*
- 2) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the seller or landlord and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97, Amended 1/07)*

3) Where a buyer or tenant representative is compensated by the buyer or tenant and, as a result, the listing broker reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97)*

4) Where two or more listing brokers claim entitlement to compensation pursuant to open listings with a seller or landlord who agrees to participate in arbitration (or who requests arbitration) and who agrees to be bound by the decision. In cases where one of the listing brokers has been compensated by the seller or landlord, the other listing broker, as complainant, may name the first listing broker as respondent and arbitration may proceed between the brokers. *(Adopted 1/97)*

5) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, claims to be the procuring cause of sale or lease. In such cases arbitration shall be between the listing broker and the buyer or tenant representative and the amount in dispute is limited to the amount of the reduction of commission to which the listing broker agreed. *(Adopted 1/05)*

• **Standard of Practice 17-5**

The obligation to arbitrate established in Article 17 includes disputes between REALTORS® (principals) in different states in instances where, absent an established inter-association arbitration agreement, the REALTOR® (principal) requesting arbitration agrees to submit to the jurisdiction of, travel to, participate in, and be bound by any resulting award rendered in arbitration conducted by the respondent(s) REALTOR®'s association, in instances where the respondent(s) REALTOR®'s association determines that an arbitrable issue exists. *(Adopted 1/07)*

## Explanatory Notes

The reader should be aware of the following policies which have been approved by the Board of Directors of the National Association:

In filing a charge of an alleged violation of the Code of Ethics by a REALTOR®, the charge must read as an alleged violation of one or more Articles of the Code. Standards of Practice may be cited in support of the charge.

The Standards of Practice serve to clarify the ethical obligations imposed by the various Articles and supplement, and do not substitute for, the Case Interpretations in *Interpretations of the Code of Ethics*.

Modifications to existing Standards of Practice and additional new Standards of Practice are approved from time to time. Readers are cautioned to ensure that the most recent publications are utilized.



## PERMISSIBLE AND PROHIBITED ACTIONS OF UNLICENSED ASSISTANTS AND SUPPORT STAFF

Unlicensed assistants and support staff are valuable employees in a real estate office. However, given the licensure requirements imposed by law, N.J.S.A. 45:15-1 and 15-3, there are parameters to the activities in which unlicensed persons may lawfully engage. The REC has reviewed an earlier publication of the "Dos and Don'ts" of unlicensed assistants and support staff and believes these guidelines bear repeating to enable licensees and unlicensed individuals to avoid potential violations. **Please note that the following lists do not define every permitted or prohibited activity but are intended to offer reasonable guidelines for licensees to follow:**

### An unlicensed assistant or secretary **CAN**:

- \*Answer phones and forward calls.
- \*Process and submit listings and changes to a MLS system.
- \*Follow-up on loan applications after contracts have been fully executed.
- \*Set up file procedures, track and secure documents, etc.
- \*Have keys made for company listings at the direction of a licensee.
- \*Write ads for approval of a licensee, place ads as directed.
- \*Keep records of, and deposit payments of earnest money, security deposits and rent.
- \*Type contract forms for approval of a licensee.
- \*Monitor files and report findings to a licensee.
- \*Compute commission checks.
- \*Place signs on properties.
- \*Order items or inspections as directed by a licensee.
- \*Prepare flyers and promotional material for approval by a licensee.
- \*Act as a courier for delivering documents or picking up keys etc. (Licensee is responsible for delivery of contracts or closing materials).
- \*Schedule appointments with the seller or seller's agent in order for a licensee to show listed property.

### An Unlicensed assistant or secretary **CANNOT**:

- \*Make cold calls by telephone or in person to potential listers, purchasers, tenants, or landlords.
- \*In the absence of a licensee, host open houses, booths at home shows, malls or fairs, or distribute promotional literature at such locations.
- \*Prepare promotional material or ads without the review and approval of a licensee.
- \*Show property.
- \*Answer any questions on listings, title, financing or closings from either the public or other licensees.
- \*Discuss or explain a contract, listing, lease agreement or other real estate document with anyone outside the firm.
- \*Work as a licensee/secretary in one firm and do real estate related activities with that firm, while licensed with another firm.
- \*Negotiate or agree to any commission, commission split, management fee or referral fee on behalf of a licensee.
- \*In addition, the compensation of a personal assistant or secretary should not be based on the success of their activity, i.e. a percentage of commission, but should be directly related to the duties the non-licensee is performing. If a licensee is using another licensee to act as their personal assistant/secretary, both should be aware that they are employees or independent contractors of their broker and compensation must be paid by the broker.
- \*All licensees are cautioned to research and adhere to Federal and State Income Tax and Employment requirements.
- \*Make telephone calls for the purpose of collecting or attempting to collect late rent payments.

Finally, **inspections**: Because it is highly likely that during the course of an inspection questions will be raised by the prospective purchaser and/or the owner of the property which only a licensee would be qualified to answer, it has been determined that an unlicensed individual should not be present during such inspections in the absence of a licensee. However, if for **security/safety** reasons a licensed individual requests their assistant accompany them to an inspection, there would clearly be no impropriety.

It remains the position of the Commission that unlicensed individuals should not answer any questions on listings, even if the questions only inquire about objective information contained in preprinted material about the property. It is helpful to recall that unlicensed persons may not host open houses in the absence of a licensee.

## **Pathways to Professionalism**

- Always follow the Golden Rule.
- Always respond promptly to inquiries and requests for information.
- Schedule appointments as far in advance as possible; call if you are delayed or must cancel an appointment.
- If a prospective buyer decides not to view an occupied home, promptly explain the situation to the listing broker or the owner.
- Communicate with all parties in a timely fashion.
- Enter listed property first to ensure that unexpected situations, such as pets, are handled appropriately.
- Leave or hand over your business card.
- Never criticize property in the presence of the owner.
- Inform sellers that you are leaving after a showing.
- When showing an occupied home, always ring the doorbell or knock before entering. Knock before entering any closed room.
- Present a professional appearance at all times; dress appropriately and have a clean car.
- If the seller is home during a showing, ask their permission before using the bathroom.
- Advise the clients of other brokers to direct questions to their agent or representative.
- Communicate clearly; don't use jargon not readily understood by the general public.
- Be aware of and respect cultural differences.
- Show courtesy and respect to the public and other real estate
- Be aware of and meet all deadlines.
- Promise only what you can deliver and keep your promises.

### **Respect for Property**

- Be responsible for visitors to listed property; never allow buyers to enter property unaccompanied.
- When the seller is absent, be sure to turn off lights, shut windows, and lock doors after a showing.
- Tell buyers not to smoke in listed property.
- Use sidewalks; if weather is bad, take off shoes and boots inside property.

### **Respect for Peers**

- Call the listing broker to report the results of any showing.
- Notify the listing broker immediately if anything appears wrong with the property.
- Notify the listing broker if there appears to be inaccurate information on the listing.
- Share important information about a property, including the presence of pets; security systems; and whether sellers will be present during the showing.
- Show courtesy, trust and respect to other real estate professionals.



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DEPARTMENT OF BANKING & INSURANCE

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## Real Estate Commission Disciplinary Actions

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**Please Note:** As of July 1, 2014 an amendment to the Administrative Procedure Act (R.S. 52:14B-1 et seq.) now requires all state agencies to post all non-confidential final agency orders, decisions and opinions on the agency's website. Therefore, all such final Real Estate Commission orders and decisions entered on or after July 1, 2014 can be accessed by clicking the link provided for that order or decision. Orders or decisions issued on such matters prior to July 1, 2014 are available upon request to the Real Estate Commission.

### 2015

, a licensed New Jersey real estate Salesperson, Union County - By Final Order of Determination dated September 16, 2015, the Commission determined to be in violation of N.J.A.C. 11:5-4.1 by actively engaging in the real estate business as a real estate salesperson without the requisite signed Independent Contractor Agreement. A \$2,500 fine was imposed.

, a formerly licensed New Jersey real estate Broker, Monmouth County - By Consent Order dated September 29, 2015, admitted to being in violation of N.J.A.C. 11:5-3.9(a) by failing to return the licenses of five (5) licensees within five (5) business days of when he ceased to be active and violating N.J.A.C. 11:5-3.9(c) by failing to file an office closing affidavit within thirty (30) days of the date of which he ceased engaging in the real estate brokerage business. A fine of \$1,500 was imposed.

, an unlicensed person, Hudson County - By Final Order of Determination dated September 4, 2015, the Commission determined to be in violation of N.J.S.A. 45:15-9 by becoming unruly and threatening in a licensing test facility. The Commission further determined to be in violation of N.J.A.C. 11:5-3.4(a) by referring to a text book during the course of the state examination. is barred from taking the New Jersey real estate salesperson's class and state examination for a period of one (1) year from October 7, 2014, and shall requalify in accordance with the Commission's regulation then in effect.

, a licensed New Jersey real estate Broker, Middlesex County - By Consent Order dated September 29, 2015, admitted to being in violation of N.J.A.C. 11:5-4.2(a) by failing to supervise the activities of a salesperson under his employ and to being in violation of N.J.A.C. 11:5-6.4(a) by failing to collect the second deposit in a transaction. A fine of \$3,000 was imposed.

, a licensed New Jersey real estate Broker-salesperson, Middlesex County - By Consent Order dated September 29, 2015, admits to being in violation of N.J.A.C. 11:5-6.4 and N.J.S.A. 45:15-17(a) by failing to collect all deposits as required and by preparing and presenting executed contracts stating Realty was holding said deposits in three separate transactions. A \$2,500 fine was imposed.

, a licensed New Jersey real estate Broker-salesperson, Burlington County - By Consent Order dated September 1, 2015, admitted to being in violation of N.J.A.C. 11:5-6.9(b) by failing to obtain a written informed consent of the parties to act as a disclosed dual agent. is required to complete an additional three (3) hour Agency course which will not count towards the required twelve (12) hours of Continuing Education. A \$1,000 fine was imposed.

, formerly licensed New Jersey real estate Brokers, Burlington County - By Final Order dated August 10, 2015, the Commission determined Respondents to be in violation of N.J.A.C. 11:5-4.4(b) and N.J.S.A. 45:15-17e (two counts) by failing to comply with the home office requirements. Respondents were in violation of N.J.S.A. 45:15-17f for failing to maintain a home office separate and apart from living quarters with a clearly visible separate entrance; and Respondents were in violation of N.J.S.A. 45:15-12 by failing to have a prominent display on the exterior showing the name in which the broker is authorized to do business as well as the name of the authorized broker. Respondent Real estate broker license is revoked for six (6) months from date of Order. Respondent Real estate, Incorporated's brokerage license is revoked for six (6) months from dated of Order.

, Essex County - By Consent Order dated August 4, 2015, the Commission determined that violated N.J.A.C. 11:5-5.1(e) by failing to promptly deposit funds from three (3) separate transactions and violated N.J.S.A. 45:15-17a by engaging in a

substantial misrepresentation by preparing and presenting an executed contract indicating holding an initial deposit when said deposit had been returned to the buyer. A \$3,000 fine was imposed. was

a licensed New Jersey real estate Brokers, Monmouth County - By Final Order of Determination dated August 26, 2015, the Commission determined Respondent to be in violation of N.J.S.A. 45:15-17o, N.J.A.C. 11:5-5.1(a) and (c) by commingling the monies of her principals by depositing monies received in rental transactions into the operating account and failing to maintain a special account. Respondents Realty, Inc. are in violation of N.J.A.C. 11:5-5.4(b)1-3 and 11:5-5.1(e) by failing to record financial information, reconcile and maintain records, and deposit funds within five (5) days; and, Respondents are in violation of N.J.A.C. 11:5-6.4 by failing to protect and promote the interests of the real estate clients. Respondent's broker license is revoked for two (2) years from the issuance of the Order. Respondent is eligible to hold a salesperson license, on probation, provided she completes the salesperson pre-licensing course within three (3) months of issuance of the Order. To qualify for re-licensure as a real estate broker, Respondent is required to complete all broker pre-licensure education courses and pass the examination.

a licensed New Jersey real estate Broker-Salesperson, Cape May County - By Consent Order dated July 29, 2015, Respondent admitted to being in violation of N.J.A.C. 11:5-6.4(a) by collecting the second deposit on a listing late. A \$1,000 fine was imposed.

a licensed New Jersey real estate Broker-Salesperson, Respondent, a formerly licensed New Jersey real estate Salesperson, and a licensed New Jersey real estate Salesperson, Camden County - By Final Order dated July 28, 2015, the Commission determined that Respondents and I violated N.J.S.A. 45:15-17(e) and N.J.A.C. 11:5-5.1(a) and (c) as they commingled the money of their principals with their own and failed to maintain in special accounts. The Commission determined that the conduct of Respondent and I set forth above, demonstrated unworthiness, bad faith, dishonesty, fraud and dishonest dealings in violation of N.J.S.A. 45:15-17(e) and (f). Further, the Commission found such conduct by Respondent violated N.J.A.C. 11:5-6.4(b) in that they failed to protect and promote the interests of their principals. Respondent was found to be in violation of N.J.A.C. 11:5-4.2 and 11:5-4.4(a) in that he failed to properly supervise the activities of Respondents. Further, Respondent was found to be in violation of N.J.A.C. 11:5-5.4(b)(1), (b)(2), (b)(3) and (b)(4) for failing to record required information on trust account checkbooks and ledgers as well as for failure to make quarterly reconciliations and maintain business records as required by the regulations. The Commission imposed a lifetime revocation of any and all real estate licenses presently or formerly held by Respondents. A fine of \$25,000 was imposed for Respondent and a \$20,000 fine was imposed for Respondent. Respondent was originally named in this complaint but entered into a Consent Agreement with the Real Estate Commission on May 20, 2014.

a licensed New Jersey real estate Salesperson, Bergen County - By Consent Order dated July 20, 2015, Respondent admitted to being in violation of N.J.A.C. 11:5-6.4(a) by failing to collect deposit money on a listing and failing to disclose her relationship with the buyer. Respondent also admitted being in violation of N.J.S.A. 45:15-17(a) by substantially misrepresenting information in the contract of sale for above listing. Respondent's license is suspended for three (3) months and she is required to complete the thirty (30) hour Agency and Ethics broker pre-licensing course in addition to the required Continuing Education courses. A \$5,000 fine was imposed.

a licensed New Jersey real estate Broker-Salesperson, Bergen County - By Consent Order dated July 28, 2015, Respondent admitted to being in violation of N.J.A.C. 11:5-4.5 by failing to supervise the activities of Respondent as branch office manager. Respondent is required to complete the thirty (30) hour Agency and Ethics broker pre-licensing course in addition to the required Continuing Education courses. A \$2,000 fine was imposed.

a licensed New Jersey real estate Salesperson, Bergen County - By Consent Order dated June 23, 2015, Respondent admitted to being in violation of N.J.A.C. 11:5-5.1(c) 2 & 3 by failing to deposit the funds of others into the designated escrow account of his broker. A \$1,000 fine was imposed.

a licensed New Jersey real estate Salesperson, Hunterdon County - By Consent Order dated June 23, 2015, Respondent admitted to being in violation of N.J.A.C. 11:5-6.4(a) by failing to deal fairly with the seller; and N.J.S.A. 45:15-17(a) by making a negligent misrepresentation by indicating a deposit was in on a contract of sale when it was not. A \$1,000 fine was imposed.

a licensed New Jersey real estate Broker, Hunterdon County - By Consent Order dated June 23, 2015, Respondent admitted to being in violation of N.J.A.C. 11:5-4.2 by failing to supervise a salesperson in his employ; and, N.J.S.A. 45:15-12.5 and N.J.A.C. 11:5-5.1 in that he failed to maintain an escrow account as required by statute. A \$1,500 fine was imposed.

a formerly licensed New Jersey real estate Salesperson, Morris County - By Consent Order dated June 23, 2015, Respondent admitted to being in violation of N.J.S.A. 45:15-17(e) in that his conduct demonstrated dishonesty. Respondent's license is revoked until he completes the term of his criminal probation.

a licensed New Jersey real estate Broker, Sussex County - By Consent Order dated May 19, 2015, Respondent admitted to being in violation of N.J.S.A. 45:15-17(e) by failing to comply with a duly served subpoena. A \$500 fine was imposed.

a licensed New Jersey real estate Salesperson, Monmouth County - By Consent Order dated May 19, 2015, admitted to being in violation of N.J.A.C. 11:5-6.4 by failing to collect all deposits as required in the contract; and N.J.S.A. 45:15-17(a) by preparing and presenting an executed contract indicating said deposit, which was never obtained, was held by the agency. A \$2,000 fine was imposed.

r, a licensed New Jersey real estate Broker, Sussex County - By Consent Order dated May 19, 2015, admitted to being in violation of N.J.S.A. 45:15-17(e) by failing to comply with a duly served subpoena. A \$500 fine was imposed.

, a licensed New Jersey real estate Salesperson, Monmouth County - By Consent Order dated May 19, 2015, admitted to being in violation of N.J.A.C. 11:5-6.4 by failing to collect all deposits as required in the contract; and N.J.S.A. 45:15-17(a) by preparing and presenting an executed contract indicating said deposit, which was never obtained, was held by the agency. A \$2,000 fine was imposed.<

a licensed New Jersey real estate Salesperson, Monmouth County - By Consent Order dated May 19, 2015, admitted to being in violation of N.J.S.A. 45:15-17(c), demonstrating unworthiness; and violating N.J.S.A. 45:15-17(e) by failing to notify the Commission of being charged, demonstrating incompetency; and violating N.J.S.A. 45:15-17(s) - two counts- by failing to notify the Commission within 30 days of the accusation and conviction. license is revoked until the term of his criminal probation is completed. Should wish to reinstate at that time, proof of completion of probation must be provided and Lorr must requalify for licensure. A \$1,000 fine was imposed.

, a licensed New Jersey real estate Broker, Camden County - By Consent Order dated May 19, 2015, admitted to being in violation of N.J.A.C. 11:5-6.4(f) by failing to enter a property into the Multiple Listing Service within 48 hours of the effective date of the listing. A \$500 fine was imposed.

, a licensed New Jersey real estate Broker, Ocean County - By Consent Order dated April 21, 2015, admitted to being in violation of N.J.S.A. 45:15-17(c & e) by failing to obtain the permission of the owner before listing the property for rent. A \$500 fine was imposed.

, a licensed New Jersey real estate Salesperson, Cape May County - By Consent Order dated April 21, 2015, admitted to being in violation of N.J.A.C. 11:5-6.4(c) by failing to disclose material information with respect to a rental property. A \$500 fine was imposed.

, a licensed New Jersey real estate Broker, Monmouth County - By Consent Order dated April 21, 2015, admitted to being in violation of N.J.A.C. 11:5-4.2(a) by failing to supervise the activities of salespersons under his employ, specifically with respect to collection of deposit monies required under contracts. A \$2,000 fine was imposed.

, a licensed New Jersey real estate Salesperson, Cumberland County - By Consent Order dated April 21, 2015, admitted to being in violation of N.J.A.C. 11:5-6.4(a) and N.J.S.A. 45:15-17(t) by failing to protect and promote the interests of buyers, clients who he had undertaken to represent, and violating N.J.A.C. 11:5-6.4(c) in not disclosing all information material to the physical condition of a property. is required to complete a 30-hour pre-licensure Broker course on ethics and agency law in addition to any required continuing education courses. A \$3,000 fine was imposed.

, a licensed New Jersey real estate Broker, Cape May County - By Consent Order dated 21, 2015, admitted to being in violation of N.J.A.C. 11:5-4.2(a) by failing to supervise the activities of salespersons under her employ, specifically with respect to disclosure of material information with respect to a rental property. A \$500 fine was imposed.

, a licensed New Jersey real estate Broker-Salesperson and licensed New Jersey Real Estate School Director/Instructor, Union County - By Consent Order dated March 3, 2015, admitted acting in violation of N.J.S.A. 45:15-11.11(c) by failing to fulfill her obligation to provide a complete pre-licensure course. A \$500 fine was imposed.

, a licensed New Jersey real estate Broker, Bergen County - By Consent Order dated March 3, 2015, admitted acting in violation of N.J.S.A. 11:5-5.1 and N.J.S.A. 45:15-12.5 by failing to maintain an escrow account. A \$1,000 fine was imposed.

, an unlicensed person, Morris County - By Consent Order dated March 3, 2015, admitted violating N.J.S.A. 45:15-17(n) in that he attempted to obtain a real estate license by failing to report a prior conviction on the licensing application. A fine of \$500 was imposed.

a licensed New Jersey real estate Salesperson, Union County - By Consent Order dated February 24, 2015, admitted to violating N.J.A.C. 11:5-5.1(e) by failing to collect and deposit the funds in a transaction within five business days and violating N.J.A.C. 11:5-6.4(a) and N.J.S.A. 45:15-17(t) by failing to deal with all parties in the aforementioned transaction. is required to complete a three hour course in agency within six months in addition to the mandatory twelve hour continuing education required of every licensee. A fine of \$750 was imposed.



PHILIP D. MURPHY  
*Governor*

SHEILA Y. OLIVER  
*Lt. Governor*

*State of New Jersey*  
OFFICE OF THE ATTORNEY GENERAL  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION ON CIVIL RIGHTS  
P.O. BOX 089  
140 EAST FRONT STREET, 6<sup>TH</sup> FLOOR  
TRENTON, NJ 08625-0089

GURBIR S. GREWAL  
*Attorney General*

CRAIG SASHIHARA  
*Director*

TO: Property Owners

FROM: Gurbir S. Grewal, Attorney General, State of New Jersey  
Craig Sashihara, Director, NJ Division on Civil Rights

DATE: August 2018

SUBJECT: Housing Discrimination Laws

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The New Jersey Real Estate Commission requires every licensed broker or salesperson with whom you list your property to give you a copy of this notice. The purpose is to help you comply with the New Jersey Law Against Discrimination (the "LAD") and federal laws prohibiting discrimination in the sale or rental of real property.

In New Jersey, it is illegal to discriminate against a prospective or current buyer or tenant because of race, creed, color, national origin, sex, gender identity or expression, marital status, civil union status, affectional or sexual orientation, familial status, pregnancy or breastfeeding, actual or perceived physical or mental disability, ancestry, nationality, domestic partner status, source of lawful income used for mortgage or rental payments, or liability for service in the Armed Forces of the United States. It is also illegal to place any advertisement or make any statements or utterances that express, directly or indirectly, any limitations to offer housing or real estate based on any of those characteristics.

State and federal fair housing laws apply to a wide range of activities such as advertising, selling, renting, leasing, subleasing, assigning, and showing property (including open land). Here are some issues that come up frequently in enforcing the LAD:

- Discrimination based on "source of lawful income used for mortgage or rental payments," means, for example, that a landlord cannot reject a prospective tenant because he or she intends to rely on a Section 8 rental voucher, FEMA voucher issued to Superstorm Sandy victims, or other types of rent subsidies.
- A "No Pets" rule cannot be enforced to prevent a person with a disability from using a service or guide dog. A landlord may not charge a tenant with a disability an extra fee for keeping a service or guide dog.



- Discrimination based on "familial status" prohibits discrimination against families with a child or children under 18 years old, and includes pregnant women.
- Landlords must permit a tenant with a disability—at that tenant's own expense—to make reasonable modifications to the premises if such modifications are needed to give the tenant full enjoyment of the premises.

**Penalties.** If you commit a discriminatory housing practice that violates the LAD, you may be subject to penalties not exceeding \$10,000 for a first violation, not exceeding \$25,000 for a second violation within five years of the first offense, and not exceeding \$50,000 for two or more violations within seven years.

**Other remedies.** Victims of discrimination may recover economic damages related to the discrimination (such as having to pay higher rent for another unit) as well as damages for emotional distress, pain and humiliation. In more egregious cases, a victim may also recover punitive damages.

**Brokers.** The broker or salesperson with whom you list your property must transmit to you every written offer he/she receives on your property. Brokers and salespersons are licensed by the New Jersey Real Estate Commission and their activities are subject to the general real estate laws of the State and the Commission's own rules and regulations. The broker or salesperson must refuse your listing if you indicate an intent to discriminate based on any of the protected classes.

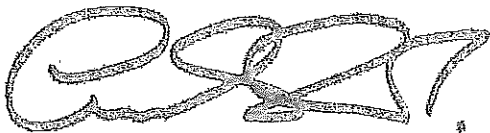
**Exemptions.** The sale or rental of property (including open land) whether for business or residential purposes, is covered by the LAD. In most cases, the following sales or rentals are exempt from the LAD<sup>1</sup>:

- Renting one apartment in a two-family dwelling if the owner lives in the other apartment.
- Renting a room or rooms in a one-family dwelling if the owner lives in the same dwelling.
- A religious organization can give preference to persons of the same religion when selling or renting real property.
- In certain types of housing designated for older persons, it is not unlawful to discriminate based on familial status.

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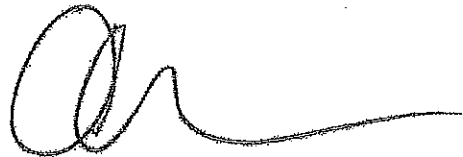
<sup>1</sup> Discrimination in connection with some of the transactions covered by these exemptions may nevertheless be prohibited under the *Federal Civil Rights Act of 1866*, 42 U.S.C. 1981, 1982.

For more information about the LAD and Fair Housing Amendments Act of 1988, or if you have other questions about discrimination in the sale or rental of real property, including how to report a complaint, please review our website [www.NJCivilRights.gov](http://www.NJCivilRights.gov) or call our Housing Hotline at (866) 405-3050. Please contact us if you would like the Division on Civil Rights to provide training on the subject of housing discrimination. Thank you.



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Gurbir S. Grewal  
Attorney General



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Craig Sashihara  
Director, Division on Civil Rights





DISCLOSURE OF INFORMATION AND ACKNOWLEDGMENT ABOUT  
LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

I. LEAD PAINT WARNING

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

II. PROPERTY ADDRESS:

III. SELLER'S DISCLOSURE (initial) (To be completed and signed at time of listing)

☐ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):  
☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):

☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

☐ (b) Records and Reports available to the seller (check one below):

☐ Seller has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.  
☐ Seller has the following reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing, all of which seller has provided to its listing agent, and has directed its listing agent to provide purchaser or purchaser's agent with these records and reports prior to seller accepting any offer to purchase (list documents below):

☐ (c) If there is any change in the above information prior to seller accepting an offer from the purchaser to purchase, seller will disclose all changes to the purchaser prior to accepting the offer.

IV. SELLER'S CERTIFICATION OF ACCURACY

Seller(s) have reviewed the Seller's Disclosure in Section III and certify, to the best of his/her/their knowledge, that the information they have provided is true and accurate.

Seller

Seller

Seller

Seller

V. LISTING AGENT'S CERTIFICATION OF ACCURACY

Listing Agent certifies that he/she has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Listing Agent

Date

VI. PURCHASER'S ACKNOWLEDGMENT (initial) (The Seller's Disclosure in Section III and Certification in Section IV and the Listing Agent's Certification in Section V to be completed and signed prior to purchaser signing this Disclosure.)

☐ (a) Purchaser has received copies of all information listed in Section III above.

☐ (b) Purchaser has received the pamphlet Protect Your Family From Lead in Your Home.



- 57 ☐ (c) Purchaser has (check one below):  
58 ☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection  
59 for the presence of lead-based paint and/or lead-based paint hazards; or  
60 ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or  
61 lead-based paint hazards.  
62

63 **VII. PURCHASER'S CERTIFICATION OF ACCURACY**

64 Purchaser(s) have reviewed the Purchaser's Acknowledgment in Section VI and certify, to the best of his/her/their  
65 knowledge, that the information they have provided is true and accurate.

66 Purchaser  Purchaser   
67  
68 Purchaser  Purchaser   
69

70  
71 **VIII. SELLING/BUYER'S AGENT'S CERTIFICATION OF ACCURACY**

72 Selling/Buyer's Agent certifies that the purchaser has received the information in section VI (a) and (b).

73 Selling/Buyer's Agent  Date \_\_\_\_\_  
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**NIMLS**  
Your Independent Source for Real Estate Data



**NEW JERSEY MULTIPLE LISTING SERVICE, INC.**  
Owned and Operated By

**Eastern Bergen County Board of REALTORS®**  
**RealSource Association of REALTORS®**

160 Terrace Street. P.O. Box U Haworth, N.J. 07641 Phone: 201-387-1150 Fax: 201-387-0241

ADDRESS: \_\_\_\_\_

11:5-1.23

## WAIVER OF BROKER COOPERATION

I UNDERSTAND THAT COOPERATION AMONGST BROKERS PRODUCES WIDER EXPOSURE OF MY PROPERTY AND MAY RESULT IN IT BEING SOLD OR LEASED SOONER AND AT A HIGHER PRICE THAN WOULD BE THE CASE WERE MY BROKER NOT TO COOPERATE WITH OTHER BROKERS. I FURTHER UNDERSTAND THAT WHEN MY BROKER COOPERATES WITH OTHER BROKERS, I CAN STILL HAVE THE ARRANGEMENTS FOR THE SHOWING OF THE PROPERTY AND ALL NEGOTIATIONS WITH ME OR MY ATTORNEY MADE ONLY THROUGH MY LISTING BROKER'S OFFICE SHOULD I SO DESIRE.

However, despite my awareness of these factors, I direct that this property is to be marketed only through the efforts of the Listing Broker. This listing is not to be published in any multiple listing service. I will only consider offers on this property which are obtained by, and I will only allow showings of this property to be conducted by the Listing Broker or his or her duly authorized representatives. THE LISTING BROKER IS HEREBY DIRECTED NOT TO COOPERATE WITH ANY OTHER BROKER.

By signing below, the parties hereto confirm that no pressure or undue influence has been exerted upon the owners as to how this property is to be marketed by the Listing Broker.

The owner(s) further confirm receipt of a fully executed copy of the listing agreement on this property, and of this Waiver of Broker Cooperation form.

DATED: \_\_\_\_\_

Owner: \_\_\_\_\_

Owner: \_\_\_\_\_

Listing Broker \_\_\_\_\_

By: Authorized Licensee Broker \_\_\_\_\_



NEW JERSEY REALTORS® STANDARD FORM OF  
EXCLUSIVE BUYER AGENCY AGREEMENT

©2001 New Jersey REALTORS®, Inc.

1. AGENCY: \_\_\_\_\_ and \_\_\_\_\_ referred to in  
(Buyer) (Buyer)  
this Agreement as "Buyer" hereby designate \_\_\_\_\_  
(Brokerage Firm)

as Buyer's exclusive agent, referred to in this Agreement as "Buyer's Agent", for the purpose of searching for, locating, and purchasing  
real estate by Buyer in the following, \_\_\_\_\_ (municipality(ies)), pursuant to all of the  
terms and conditions set forth below.

2. DOES BUYER HAVE A BUSINESS RELATIONSHIP WITH ANOTHER BROKER? ☐ YES ☐ NO

Buyer represents to Buyer's Agent that no other buyer's agency agreement is presently in effect. Buyer agrees not to enter into any such  
agreement during the term of this Agreement.

3. DECLARATION OF BUSINESS RELATIONSHIP: The real estate license law of the State of New Jersey requires every real  
estate licensee to declare the basis of the business relationship being established between such licensee and Buyer. Accordingly,

I, \_\_\_\_\_ AS AN AUTHORIZED REPRESENTATIVE OF  
(Name of Licensee)

\_\_\_\_\_ INTEND, AS OF THIS TIME, TO WORK WITH YOU (buyer)  
(Name of Firm)

AS A: (choose one)

☐ BUYER'S AGENT ONLY ☐ BUYER'S AGENT AND DISCLOSED DUAL AGENT IF THE OPPORTUNITY ARISES.

4. TERM: This Agency Agreement shall commence on \_\_\_\_\_ and shall expire at midnight on the \_\_\_\_\_ day  
of \_\_\_\_\_ or three (3) days after receipt by Buyer's Agent of a written termination notice from Buyer, whichever  
shall first occur.

5. BROKERAGE FEE: In consideration of the services rendered by Buyer's Agent on behalf of Buyer, Buyer agrees to pay to Buyer's  
Agent a brokerage fee of \_\_\_\_\_. The brokerage fee shall be earned, due and payable by Buyer to Buyer's  
Agent if any property introduced by Buyer's Agent to Buyer during the term of this Agreement is purchased by Buyer prior to the expira-  
tion of this Agreement, or within \_\_\_\_\_ days after the termination of this Agreement. However, if the seller of such property  
authorizes the listing broker to pay a portion of the listing broker's brokerage fee to Buyer's Agent, that portion of such brokerage fee shall  
be credited against Buyer's obligation to Buyer's Agent as set forth above. In such event, Buyer agrees to pay to Buyer's Agent, at closing,  
the difference between the amount so received from the listing broker and the total brokerage fee due to Buyer's Agent as referred to in this  
paragraph, unless, as a term or condition of the contract of sale, the seller has agreed to pay such difference to Buyer's Agent at closing.

6. BUYER'S AGENT'S DUTY: Buyer's Agent shall:

- (a) Use diligence in its search to locate a property which is acceptable to Buyer.
- (b) Use professional knowledge and skills to assist Buyer to negotiate for the purchase of such property.
- (c) Assist the Buyer throughout the transaction and to represent Buyer's best interests.

7. BUYER'S DUTY: Buyer shall:

- (a) Provide accurate and relevant personal information to Buyer's Agent regarding Buyer's financial ability to purchase real estate.
- (b) Advise Buyer's Agent of any home offered for sale to Buyer where Buyer may have an interest in purchasing such property.
- (c) Submit through Buyer's Agent, any offer to purchase or contract on a property which was shown to Buyer by Buyer's Agent.

8. OTHER BUYERS: Other potential buyers may be interested in the same properties as Buyer. It is agreed that Buyer's Agent may  
represent such other potential buyers whether such representation arises prior to, during, or after the termination of this Agreement. In  
any such situation, Buyer agrees that Buyer's Agent will not disclose to any other potential buyer the terms of the Buyer's offer or any other  
confidential information concerning the Buyer and also will not disclose to Buyer the terms of any other buyer's offer or any confidential  
information concerning the other buyer(s).



51 9. DUAL AGENCY: Buyer understands that Buyer's Agent may elect to represent a seller as well as Buyer in the sale and purchase of  
52 such seller's property. In such event, Buyer acknowledges that Buyer's Agent will be a dual agent, and pursuant to law, will have to obtain  
53 the written informed consent of both the seller and Buyer for the Buyer's Agent to be a Disclosed Dual Agent. Buyer understands that by  
54 consenting to the Buyer's Agent to be a Disclosed Dual Agent, there will be a limitation on the Buyer's Agent's ability to represent either  
55 the Buyer or seller fully and exclusively. Buyer's Agent, when acting as a Disclosed Dual Agent, will not be able to put either the seller's  
56 interests ahead of the Buyer's nor the Buyer's interests ahead of the seller's. **Buyer's consent to Buyer's Agent being a Disclosed**  
57 **Dual Agent shall be deemed to have been given only when the "Informed Consent to Dual Agency" is signed by the**  
58 **Buyer.**

59  
60 10. Buyer acknowledges receipt of the Consumer Information Statement on New Jersey Real Estate Relationships.

61  
62 11. Buyer hereby acknowledges receipt of a signed copy of this legally binding Agreement and agrees to be bound by and comply with  
63 its terms and conditions.

64  
65 IF BUYER DOES NOT UNDERSTAND ALL OF THE TERMS OF THIS AGREEMENT, LEGAL ADVICE SHOULD BE  
66 SOUGHT BEFORE SIGNING.

67  
68 By:

69 Buyer's Agent

70 BUYER

71 Date

72 BUYER

73 Date



**ADDENDUM TO NJMLS  
REAL ESTATE LISTING/COMMISSION AGREEMENT  
COMMISSION SPLITS**

MLS Number: \_\_\_\_\_

Property Address: \_\_\_\_\_

Town: \_\_\_\_\_

LISTING BROKERS USUALLY COOPERATE WITH OTHER BROKERAGE FIRMS BY SHARING INFORMATION ABOUT THEIR LISTINGS AND OFFERING TO PAY PART OF THEIR COMMISSION TO THE FIRM THAT PRODUCES A BUYER. THIS IS GENERALLY REFERRED TO AS THE "COMMISSION SPLIT."

SOME LISTING BROKERS OFFER TO PAY COMMISSION SPLITS OF A PORTION OF THE GROSS COMMISSION, USUALLY EXPRESSED AS A PERCENTAGE OF THE SELLING PRICE, LESS A SIGNIFICANT DOLLAR AMOUNT. OTHER LISTING BROKERS OFFER A PORTION OF THE GROSS COMMISSION LESS ONLY A MINIMAL LISTING FEE OR LESS ZERO.

THE AMOUNT OF COMMISSION SPLIT YOUR BROKER OFFERS CAN AFFECT THE EXTENT TO WHICH YOUR PROPERTY IS EXPOSED TO PROSPECTIVE BUYERS WORKING WITH LICENSEES FROM OTHER BROKERAGE FIRMS.

ON THIS LISTING, THE BROKER IS OFFERING A COMMISSION SPLIT OF \_\_\_\_\_ TO POTENTIAL COOPERATING BROKERS.

IF YOU FEEL THAT THIS MAY RESULT IN YOUR PROPERTY RECEIVING LESS THAN MAXIMUM EXPOSURE TO BUYERS, YOU SHOULD DISCUSS THOSE CONCERNS WITH THE LISTING SALESPERSON OR HIS/HER SUPERVISING BROKER.

BY SIGNING THIS LISTING AGREEMENT, THE OWNER(S) ACKNOWLEDGE HAVING READ THIS STATEMENT ON COMMISSION SPLITS.

Sales Associate Signature \_\_\_\_\_ Owner Signature \_\_\_\_\_

Broker/Manager Signature \_\_\_\_\_ Owner Signature \_\_\_\_\_

Print Owner Name \_\_\_\_\_ Owner Phone \_\_\_\_\_ Realtor Phone \_\_\_\_\_

Print Owner Name \_\_\_\_\_ Date \_\_\_\_\_

Information herein deemed reliable but not guaranteed.

New Jersey Multiple Listing Services, Inc.  
160 Terrace St., PO Box U, Haworth, NJ 07641

Revised 06/2010\_A

# Residential

MLS # \_\_\_\_\_

County: \_\_\_\_\_ Town: \_\_\_\_\_ Block: \_\_\_\_\_ Suffix: \_\_\_\_\_ Lot: \_\_\_\_\_ Suffix: \_\_\_\_\_  
 Street #: \_\_\_\_\_ N,S,E,W: \_\_\_\_\_ Name: \_\_\_\_\_ Mode: \_\_\_\_\_ Price: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Directions: \_\_\_\_\_ Listing Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  
 Owner (Last, First Name): \_\_\_\_\_ Exceptions: \_\_\_\_\_  
 Owner Address (if different): \_\_\_\_\_ Owner Phone #: \_\_\_\_\_  
 Listing Broker ID #: \_\_\_\_\_ Listing Salesperson ID #: \_\_\_\_\_ Co-Listing Salesperson ID #: \_\_\_\_\_  
 Agency Disclosure Seller's Agent: \_\_\_\_\_ Transaction Broker: \_\_\_\_\_  
 Comp. BA (Buyer's Agent): \_\_\_\_\_ Comp. TA (Transaction Agent): \_\_\_\_\_ Comp. Sub (Subagent): \_\_\_\_\_  
 Dual Commission Arrangement: \_\_\_\_\_ Exclusive Agency: \_\_\_\_\_  
 Rooms: \_\_\_\_\_ Bedrooms: \_\_\_\_\_ Full Baths: \_\_\_\_\_ Half Baths: \_\_\_\_\_ Solar Yes/No: \_\_\_\_\_ Solar Leased/Owned: \_\_\_\_\_  
 Style: \_\_\_\_\_ Substyle: \_\_\_\_\_ Taxes: \_\_\_\_\_ Approx. Lot Dimensions: \_\_\_\_\_  
 Approx. Lot Sq. Ft.: \_\_\_\_\_ Approx. Lot Frontage: \_\_\_\_\_ Sewer: \_\_\_\_\_ Water Source: \_\_\_\_\_  
 Ground Floor: \_\_\_\_\_ Schools \_\_\_\_\_  
 1st Floor: \_\_\_\_\_ EL: \_\_\_\_\_  
 2nd Floor: \_\_\_\_\_ JH: \_\_\_\_\_  
 3rd Floor: \_\_\_\_\_ SH: \_\_\_\_\_  
 Basement: \_\_\_\_\_  
 Items Included: \_\_\_\_\_ Easements: \_\_\_\_\_  
 Items Not Included: \_\_\_\_\_ Municipal Assessments: \_\_\_\_\_  
 Possession: \_\_\_\_\_ For Lease: \_\_\_\_\_

Showing Instructions/Agent Remarks: (Will not appear on Customer Report)

Customer Remarks

Exclusive Listing Agreement between Broker and Seller from: Listing Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

In consideration of listing and endeavoring to procure a purchaser for the property described above at the listed price of \_\_\_\_\_ with a possession date of \_\_\_\_\_, Seller (the word "Seller" includes all owners whose signatures appear on the bottom of this Listing Agreement) hereby grant to the Broker the Sole and Exclusive Right to Sell the above described property based on the terms and conditions contained in this Agreement.

Seller further agrees to pay the Broker a compensation of \_\_\_\_\_. If the compensation is a percentage, it shall be a percentage of the offering price or of any sales price accepted by the Seller. This compensation shall be earned by the Broker and payable to the Broker if the property is sold by the Seller, the Broker, or through any other source, during the term of this Exclusive Right to Sell Listing Agreement.

Seller represents that this property is not and will not be Exclusively Listed with any other Broker during the term of this Listing Agreement. Seller further represents that the property is not and will not be listed for Rent during the term of this Listing Agreement unless mutually agreed upon terms and conditions are negotiated with the Broker.

"As a Seller you have the right to individually reach an agreement on any fee, compensation, or other valuable consideration with any Broker. No fee, compensation, or other consideration has been fixed by any governmental authority or by any trade association or multiple listing service." Nothing in this Agreement is intended to prohibit an individual Broker from independently establishing a policy regarding the amount of fee, compensation, or other valuable consideration to be charged in transactions by the Broker.

I, \_\_\_\_\_ (name of licensee), as an authorized representative of \_\_\_\_\_ (name of firm), intend, as of this time, to work with you as a:

\_\_\_\_\_ Seller's Agent Only, \_\_\_\_\_ Transaction Broker, \_\_\_\_\_ Seller's Agent and Disclosed Dual Agent if the opportunity arises.\*\*

\*\*Separate informed consent form must be executed by Broker/Seller/Buyer

In the event that the property, or any part of it, described in this Agreement becomes subject to a written or other agreement by the Buyer and Seller or their designees, or is sold, conveyed, leased or in any way transferred within \_\_\_\_\_ days after the expiration of this Agreement to anyone to whom the Seller, Broker or the Broker's salesperson, sub-agent (participating Broker/cooperating Broker) or a Buyers' Broker/Buyers' Agent or a Transaction Broker/Transaction Agent had introduced the property during the term of this Exclusive Right to Sell Listing, the compensation as indicated above shall be earned by the Broker and payable to the Broker by the Seller, unless the Seller executes a new Exclusive Right to Sell Listing Agreement during the protection period.

Seller represents that Seller is the Owner of the above described property and Seller has the full authority to enter into this Agreement. If this Agreement is executed by anyone other than the Owner of the property, Owner represents that the individual or individuals is/are acting on behalf of the Owner and that the individual or individuals has/have furnished the Broker with a copy of that written authorization. Seller and Broker further represent that no other terms or conditions exist other than those that are contained in this Agreement.

Seller acknowledges that he/she has read this Agreement, the New Jersey Attorney General's Memorandum, the Key Box Agreement printed on the reverse side, and has received the Consumer Information Statement and a fully executed copy of this Agreement which contains accurate information.

Authorization is hereby granted by Seller to submit this listing to the New Jersey Multiple Listing Service for distribution to all Broker members.

☐ Unless this box is checked, Seller authorizes listing to appear on all real estate web sites authorized by the Board of Directors.

☐ Unless this box is checked, the property address will appear on all web sites.

Sales Associate Signature \_\_\_\_\_ Owner Signature \_\_\_\_\_  
 Broker/Manager Signature \_\_\_\_\_ Owner Signature \_\_\_\_\_  
 Print Owner Name \_\_\_\_\_ Owner Phone # \_\_\_\_\_ Realtor Phone # \_\_\_\_\_



NEW JERSEY REALTORS® STANDARD FORM OF  
INFORMED CONSENT TO DUAL AGENCY  
(BUYER)

©2001, NEW JERSEY REALTORS®, INC.

This Agreement evidences Buyer's consent that the Brokerage Firm, as Buyer's Agent, may act as a Disclosed Dual Agent in order to represent both Buyer and Seller in the same real estate transaction, and seeks Buyer's consent to allow Buyer's Agent to act as a Disclosed Dual Agent when the opportunity arises. Buyer should be aware that a real estate licensee may legally act as a Disclosed Dual Agent only with Buyer's and Seller's informed written consent.

Buyer understands that Disclosed Dual Agency (representing more than one party to a transaction) has the potential of creating a conflict of interest in that both Seller and Buyer may intend to rely on the Buyer's Agent's advice, and their respective interests may be adverse to each other. Therefore, when acting as a Disclosed Dual Agent, Buyer's Agent will not represent the interests of Buyer to the exclusion or detriment of the interests of a Seller; nor will Buyer's Agent represent the interests of Seller to the exclusion and detriment of the interests of Buyer.

As a Disclosed Dual Agent of both the Seller and the Buyer, Buyer's Agent will be working equally for both parties to the real estate transaction, and will provide services to complete the transaction **without** the full range of fiduciary duties ordinarily owed by an agent who represents Buyer alone, or the Seller alone. In the preparation of offers and counteroffers between Buyer and Seller, Buyer's Agent will act only as an intermediary to facilitate the transaction rather than as an active negotiator representing either the Buyer or Seller in a fiduciary capacity. By consenting to this dual agency, Buyer is giving up the right to undivided loyalty and will be owed only limited duties of disclosure by the Buyer's Agent.

For example, Buyer acknowledges that Buyer's Agent, as a Disclosed Dual Agent, is not permitted, under law, to disclose to either Buyer or Seller any confidential information which has been, or will be communicated to Buyer's Agent by either of the parties to the transaction. Moreover, Buyer's Agent is not permitted to disclose (without the express written permission of the Seller) to the Buyer that such Seller will accept a price less than the full listing price. Nor will Buyer's Agent disclose (without the express written permission of the Buyer) to the Seller that Buyer will pay a sum greater than the price offered by Buyer. It is also impermissible for Buyer's Agent to advise or counsel either the Buyer or Seller on how to gain an advantage at the expense of the other party on the basis of confidential information obtained from or about the other party.

Other potential buyers may be interested in the same properties as Buyer. It is agreed that Buyer's Agent may represent such other potential buyers whether such representation arose prior to or arises after this Consent. In any such situation, Buyer agrees that Buyer's Agent will not disclose to any other potential buyer the terms of the Buyer's offer or any other confidential information concerning the Buyer and also will not disclose to Buyer the terms of any other buyer's offer to any confidential information concerning the other buyer(s).

Buyer acknowledges receipt of the Consumer Information Statement on New Jersey Real Estate Relationships.

I, \_\_\_\_\_ AS AN AUTHORIZED REPRESENTATIVE OF  
(Name of Licensee)

\_\_\_\_\_, INTEND, AS OF THIS TIME, TO WORK  
(Name of Firm)

WITH YOU (BUYER) AS A BUYER'S AGENT AND DISCLOSED DUAL AGENT IF THE OPPORTUNITY ARISES.

If Buyer does not understand all of the provisions of this Informed Consent to Dual Agency, legal advice should be sought before signing.

By signing below, Buyer acknowledges that Buyer has read and understood this Informed Consent to Dual Agency and gives consent to Buyer's Agent to act as a Disclosed Dual Agent and to work with other potential buyers.

BUYER'S SIGNATURE

BROKERAGE FIRM

BUYER'S SIGNATURE

ADDRESS

CITY, STATE, ZIP CODE

DATE

SALESPERSON'S SIGNATURE





NEW JERSEY ASSOCIATION OF REALTORS® STANDARD FORM OF  
INFORMED CONSENT TO DUAL AGENCY  
(SELLER)

©2001, New Jersey Association of REALTORS®, Inc.



1 PROPERTY ADDRESS: \_\_\_\_\_  
2  
3

4 This Agreement evidences Seller's consent that the Brokerage Firm, as Seller's Agent, may act as a Disclosed Dual Agent in order  
5 to represent both Seller and Buyer in the same real estate transaction, and seeks Seller's consent to allow Seller's Agent to act as a  
6 Disclosed Dual Agent when the opportunity arises. Seller should be aware that a real estate licensee may legally act as a  
7 Disclosed Dual Agent only with Seller's and Buyer's informed written consent.  
8

9 Seller understands that Disclosed Dual Agency (representing more than one party to a transaction) has the potential of creating a  
10 conflict of interest in that both Seller and Buyer may intend to rely on the Seller's Agent's advice, and their respective interests  
11 may be adverse to each other. Therefore, when acting as a Disclosed Dual Agent, Seller's Agent will not represent the interests of  
12 Buyer to the exclusion or detriment of the interests of a Seller, nor will Seller's Agent represent the interests of Seller to the  
13 exclusion and detriment of the interests of Buyer.  
14

15 As a Disclosed Dual Agent of both the Seller and the Buyer, Seller's Agent will be working equally for both parties to the real  
16 estate transaction and will provide services to complete the transaction **without** the full range of fiduciary duties ordinarily owed  
17 by an agent who represents Seller alone, or the Buyer alone. In the preparation of offers and counteroffers between Seller and  
18 Buyer, Seller's Agent will act only as an intermediary to facilitate the transaction rather than as an active negotiator representing  
19 either the Seller or Buyer in a fiduciary capacity. By consenting to this dual agency, Seller is giving up the right to undivided  
20 loyalty and will be owed only limited duties of disclosure by the Seller's Agent.  
21

22 For example, Seller acknowledges that Seller's Agent, as a Disclosed Dual Agent, is not permitted, under law, to disclose to either  
23 Seller or Buyer any confidential information which has been, or will be communicated to Seller's Agent by either of the parties to  
24 the transaction. Moreover, Seller's Agent is not permitted to disclose (without the express written permission of the Seller) to the  
25 Buyer that such Seller will accept a price less than the full listing price. Nor will Seller's Agent disclose (without the express  
26 written permission of the Buyer) to the Seller that Buyer will pay a sum greater than the price offered by Buyer. It is also  
27 impermissible for Seller's Agent to advise or counsel either the Seller or Buyer on how to gain an advantage at the expense of the  
28 other party on the basis of confidential information obtained from or about the other party.  
29

30 Seller acknowledges receipt of the Consumer Information Statement on New Jersey Real Estate Relationships.  
31

32 I, \_\_\_\_\_ AS AN AUTHORIZED REPRESENTATIVE OF  
33 (Name of Licensee)  
34 \_\_\_\_\_ INTEND, AS OF THIS TIME, TO WORK WITH YOU  
35 (Name of Firm)  
36 (SELLER) AS A SELLER'S AGENT AND DISCLOSED DUAL AGENT IF THE OPPORTUNITY ARISES.  
37

38 If Seller does not understand all of the provisions of this Informed Consent to Dual Agency, legal advice should be sought  
39 before signing.  
40

41 By signing below, Seller acknowledges that Seller has read and understood this Informed Consent to Dual Agency and gives  
42 consent to Seller's Agent to act as a Disclosed Dual Agent.  
43

44 \_\_\_\_\_  
45

46 SELLER'S SIGNATURE

\_\_\_\_\_  
BROKERAGE FIRM

47 \_\_\_\_\_  
48

49 SELLER'S SIGNATURE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
CITY, STATE, ZIP CODE

53 \_\_\_\_\_  
54

55 DATE

\_\_\_\_\_  
SALESPERSON'S SIGNATURE

# NOTICE

## TO BUYER AND SELLER

### READ THIS NOTICE BEFORE SIGNING THE CONTRACT

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

- 1) As a real estate broker, I represent: ☐ the seller, not the buyer; ☐ the buyer, not the seller;  
☐ both the seller and the buyer; ☐ neither the seller nor the buyer.  
 The title company does not represent either the seller or the buyer.

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

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

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

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

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

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

--	--

SELLER

DATE

--	--

SELLER

DATE

--	--

SELLER

DATE

--	--

SELLER

DATE

--	--

Listing Broker

--	--

BUYER

DATE

--	--

BUYER

DATE

--	--

BUYER

DATE

--	--

BUYER

DATE

--	--

Selling Broker

Prepared by: \_\_\_\_\_  
 Name of Real Estate Licensee



STATEWIDE NEW JERSEY REALTORS® STANDARD FORM  
OF REAL ESTATE SALES CONTRACT

©2018 New Jersey REALTORS®, Inc.

THIS FORM MAY BE USED ONLY IN THE SALE OF A ONE TO FOUR-FAMILY RESIDENTIAL PROPERTY  
OR VACANT ONE-FAMILY LOTS. THIS FORM IS SUITABLE FOR USE ONLY WHERE THE SELLER HAS  
PREVIOUSLY EXECUTED A WRITTEN LISTING AGREEMENT.

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

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1. PARTIES AND PROPERTY DESCRIPTION:

\_\_\_\_\_, ("Buyer"), \_\_\_\_\_, ("Buyer"),  
\_\_\_\_\_, ("Buyer"), \_\_\_\_\_, ("Buyer"),  
whose address is/are \_\_\_\_\_

AGREES TO PURCHASE FROM

\_\_\_\_\_, ("Seller"), \_\_\_\_\_, ("Seller"),  
\_\_\_\_\_, ("Seller"), \_\_\_\_\_, ("Seller"),  
whose address is/are \_\_\_\_\_

THROUGH THE BROKER(S) NAMED IN THIS CONTRACT AT THE PRICE AND TERMS STATED BELOW, THE  
FOLLOWING PROPERTY:

Property Address: \_\_\_\_\_  
shown on the municipal tax map of \_\_\_\_\_ County \_\_\_\_\_  
as Block \_\_\_\_\_ Lot \_\_\_\_\_ (the "Property").

THE WORDS "BUYER" AND "SELLER" INCLUDE ALL BUYERS AND SELLERS LISTED ABOVE.

2. PURCHASE PRICE:

TOTAL PURCHASE PRICE ..... \$ \_\_\_\_\_  
INITIAL DEPOSIT ..... \$ \_\_\_\_\_  
ADDITIONAL DEPOSIT ..... \$ \_\_\_\_\_  
MORTGAGE ..... \$ \_\_\_\_\_  
BALANCE OF PURCHASE PRICE ..... \$ \_\_\_\_\_



3. MANNER OF PAYMENT:

(A) INITIAL DEPOSIT to be paid by Buyer to ☐ Listing Broker ☐ Participating Broker ☐ Buyer's Attorney ☐ Title Company  
☐ Other \_\_\_\_\_, on or before \_\_\_\_\_ (date) (if left blank, then within five (5)  
business days after the fully signed Contract has been delivered to both the Buyer and the Seller).

(B) ADDITIONAL DEPOSIT to be paid by Buyer to the party who will be responsible for holding the escrow who is identified below  
on or before \_\_\_\_\_ (date) (if left blank, then within ten (10) calendar days after the fully signed Contract has been  
delivered to both the Buyer and the Seller).

(C) ESCROW: All initial and additional deposit monies paid by Buyer shall be held in escrow in the NON-INTEREST  
BEARING TRUST ACCOUNT of \_\_\_\_\_, ("Escrowee"), until the Closing, at which time all  
monies shall be paid over to Seller. The deposit monies shall not be paid over to Seller prior to the Closing, unless otherwise agreed  
in writing by both Buyer and Seller. If Buyer and Seller cannot agree on the disbursement of these escrow monies, the Escrowee may  
place the deposit monies in Court requesting the Court to resolve the dispute.

(D) IF PERFORMANCE BY BUYER IS CONTINGENT UPON OBTAINING A MORTGAGE:

If payment of the purchase price requires a mortgage loan other than by Seller or other than assumption of Seller's mortgage,  
Buyer shall apply for the loan through any lending institution of Buyer's choice in writing on lender's standard form within ten (10)  
calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the  
Attorney-Review Clause Section of this Contract, then within ten (10) calendar days after the parties agree to the terms of this Contract,  
and use best efforts to obtain it. Buyer shall supply all necessary information and fees required by the proposed lender and shall authorize  
the lender to communicate with the real estate brokers(s) and involved attorney(s). Buyer shall obtain a written commitment from the  
lending institution to make a loan on the property under the following terms:

Principal Amount \$ \_\_\_\_\_ Type of Mortgage: ☐ VA ☐ FHA ☐ Conventional ☐ Other \_\_\_\_\_  
Term of Mortgage: \_\_\_\_\_ years, with monthly payments based on a \_\_\_\_\_ year payment schedule.

The written mortgage commitment must be delivered to Seller's agent, who is the Listing Broker identified in Section 30, and Seller's  
attorney, if applicable, no later than \_\_\_\_\_ (date) (if left blank, then within thirty (30) calendar days after  
the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review  
Clause Section of this Contract, then within thirty (30) calendar days after the parties agree to the terms of this Contract). Thereafter,  
if Buyer has not obtained the commitment, then either Buyer or Seller may void this Contract by written notice to the other party and  
Broker(s) within ten (10) calendar days of the commitment date or any extension of the commitment date, whichever is later. If this  
Contract is voided, the deposit monies paid by Buyer shall be returned to Buyer notwithstanding any other provision in this Contract,  
provided, however, if Seller alleges in writing to Escrowee within said ten (10) calendar days of the commitment date or any extension of  
the commitment date, whichever is later, that the failure to obtain the mortgage commitment is the result of Buyer's bad faith, negligence,  
intentional conduct or failure to diligently pursue the mortgage application, then Escrowee shall not return the deposit monies to Buyer  
without the written authorization of Seller.

(E) BALANCE OF PURCHASE PRICE: The balance of the purchase price shall be paid by Buyer in cash, or by certified, cashier's  
or trust account check.

Payment of the balance of the purchase price by Buyer shall be made at the closing, which will take place on \_\_\_\_\_  
\_\_\_\_\_ (date) at the office of Buyer's closing agent or such other place as Seller  
and Buyer may agree ("the Closing").

4. SUFFICIENT ASSETS:

Buyer represents that Buyer has or will have as of the Closing, all necessary cash assets, together with the mortgage loan proceeds, to  
complete the Closing. Should Buyer not have sufficient cash assets at the Closing, Buyer will be in breach of this Contract and Seller shall  
be entitled to any remedies as provided by law.

5. ACCURATE DISCLOSURE OF SELLING PRICE:

Buyer and Seller certify that this Contract accurately reflects the gross sale price as indicated in Section 2 of this Contract. Buyer and  
Seller understand and agree that this information shall be disclosed to the Internal Revenue Service and other government agencies as  
required by law.

6. ITEMS INCLUDED IN SALE:

The Property includes all fixtures permanently attached to the building(s), and all shrubbery, plantings and fencing, gas and electric  
fixtures, cooking ranges and ovens, hot water heaters, flooring, screens, storm sashes, shades, blinds, awnings, radiator covers, heating  
apparatus and sump pumps, if any, except where owned by tenants, are included in this sale. All of the appliances shall be in working



order as of the Closing. Seller does not guarantee the condition of the appliances after the Deed and affidavit of title have been delivered to Buyer at the Closing. The following items are also specifically included (If reference is made to the MLS Sheet and/or any other document, then the document(s) referenced should be attached.):

**7. ITEMS EXCLUDED FROM SALE:** (If reference is made to the MLS Sheet and/or any other document, then the document(s) referenced should be attached.):

**8. DATES AND TIMES FOR PERFORMANCE:**

Seller and Buyer agree that all dates and times included in this Contract are of the essence. This means that Seller and Buyer must satisfy the terms of this Contract within the time limits that are set in this Contract or will be in default, except as otherwise provided in this Contract or required by applicable law, including but not limited to if the Closing has to be delayed either because a lender does not timely provide documents through no fault of Buyer or Seller or for three (3) business days because of the change of terms as required by the Consumer Financial Protection Bureau.

**(A) Additional documents from lenders or other property owners:**

If a lender or other property owner requires that any addendum or other document be signed for a property it owns in connection with this Contract, "final execution date," "acknowledgement date," or similar language that sets the time period for the completion of any conditions or contingencies, including but not limited to inspections and financing, shall mean that the time will begin to run after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then from the date the parties agree to the terms of this Contract.

**9. CERTIFICATE OF OCCUPANCY AND ZONING COMPLIANCE:**

Seller makes no representations concerning existing zoning ordinances, except that Seller's use of the Property is not presently in violation of any zoning ordinances.

Some municipalities may require a Certificate of Occupancy or Housing Code Letter to be issued. If any is required for this Property, Seller shall obtain it at Seller's expense and provide to Buyer prior to Closing and shall be responsible to make and pay for any repairs required in order to obtain the Certificate or Letter. However, if this expense exceeds \$\_\_\_\_\_ (if left blank, then 1.5% of the purchase price) to Seller, then Seller may terminate this Contract and refund to Buyer all deposit monies plus Buyer's reasonable expenses, if any, in connection with this transaction unless Buyer elects to make repairs in excess of said amount at Buyer's expense, in which event Seller shall not have the right to terminate this Contract. In addition, Seller shall comply with all New Jersey laws, and local ordinances, including but not limited to smoke detectors, carbon monoxide detectors, fire extinguishers and indoor sprinklers, the cost of which shall be paid by Seller and not be considered as a repair cost.

**10. MUNICIPAL ASSESSMENTS:** (Seller represents that Seller ☐ has ☐ has not been notified of any such municipal assessments as explained in this Section.)

Title shall be free and clear of all assessments for municipal improvements, including but not limited to municipal liens, as well as assessments and liabilities for future assessments for improvements constructed and completed. All confirmed assessments and all unconfirmed assessments that have been or may be imposed by the municipality for improvements that have been completed as of the Closing are to be paid in full by Seller or credited to Buyer at the Closing. A confirmed assessment is a lien against the Property. An unconfirmed assessment is a potential lien that, when approved by the appropriate governmental entity, will become a legal claim against the Property.

**11. QUALITY AND INSURABILITY OF TITLE:**

At the Closing, Seller shall deliver a duly executed Bargain and Sale Deed with Covenant as to Grantor's Acts or other Deed satisfactory to Buyer. Title to the Property will be free from all claims or rights of others, except as described in this Section and Section 12 of this Contract. The Deed shall contain the full legal description of the Property.

This sale will be subject to utility and other easements and restrictions of record, if any, and such state of facts as an accurate survey might disclose, provided such easement or restriction does not unreasonably limit the use of the Property. Generally, an easement is a right of a person other than the owner of property to use a portion of the property for a special purpose. A restriction is a recorded limitation on the manner in which a property owner may use the property. Buyer does not have to complete the purchase, however, if any easement, restriction or facts disclosed by an accurate survey would substantially interfere with the use of the Property for

residential purposes. A violation of any restriction shall not be a reason for Buyer refusing to complete the Closing as long as the title company insures Buyer against loss at regular rates. The sale also will be made subject to applicable zoning ordinances, provided that the ordinances do not render title unmarketable.

Title to the Property shall be good, marketable and insurable, at regular rates, by any title insurance company licensed to do business in New Jersey, subject only to the claims and rights described in this Section and Section 12. Buyer agrees to order a title insurance commitment (title search) and survey, if required by Buyer's lender, title company or the municipality where the Property is located, and to furnish copies to Seller. If Seller's title contains any exceptions other than as set forth in this Section, Buyer shall notify Seller and Seller shall have thirty (30) calendar days within which to eliminate those exceptions. Seller represents, to the best of Seller's knowledge, that there are no restrictions in any conveyance or plans of record that will prohibit use and/or occupancy of the Property as a \_\_\_\_\_ family residential dwelling. Seller represents that all buildings and other improvements on the Property are within its boundary lines and that no improvements on adjoining properties extend across boundary lines of the Property.

If Seller is unable to transfer the quality of title required and Buyer and Seller are unable to agree upon a reduction of the purchase price, Buyer shall have the option to either void this Contract, in which case the monies paid by Buyer toward the purchase price shall be returned to Buyer, together with the actual costs of the title search and the survey and the mortgage application fees in preparing for the Closing without further liability to Seller, or to proceed with the Closing without any reduction of the purchase price.

## 12. POSSESSION, OCCUPANCY AND TENANCIES:

### (A) Possession and Occupancy.

Possession and occupancy will be given to Buyer at the Closing. Buyer shall be entitled to possession of the Property, and any rents or profits from the Property, immediately upon the delivery of the Deed and the Closing. Seller shall pay off any person with a claim or right affecting the Property from the proceeds of this sale at or before the Closing.

### (B) Tenancies. ☐ Applicable ☐ Not Applicable

Occupancy will be subject to the tenancies listed below as of the Closing. Seller represents that the tenancies are not in violation of any existing Municipal, County, State or Federal rules, regulations or laws. Seller agrees to transfer all security deposits to Buyer at the Closing and to provide to Brokers and Buyer a copy of all leases concerning the tenancies, if any, along with this Contract when it is signed by Seller. Seller represents that such leases can be assigned and that Seller will assign said leases, and Buyer agrees to accept title subject to these leases.

TENANT'S NAME	LOCATION	RENT	SECURITY DEPOSIT	TERM
---------------	----------	------	------------------	------

## 13. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARD: (This section is applicable only to all dwellings built prior to 1978.) ☐ Applicable ☐ Not Applicable

### (A) Document Acknowledgement.

Buyer acknowledges receipt of the EPA pamphlet entitled "Protect Your Family From Lead In Your Home." Moreover, a copy of a document entitled "Disclosure of Information and Acknowledgement Lead-Based Paint and Lead-Based Paint Hazards" has been fully completed and signed by Buyer, Seller and Broker(s) and is appended to and made a part of this Contract.

### (B) Lead Warning Statement.

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

### (C) Inspection.

The law requires that, unless Buyer and Seller agree to a longer or shorter period, Seller must allow Buyer a ten (10) calendar day period within which to complete an inspection and/or risk assessment of the Property as set forth in the next paragraph. Buyer, however, has the right to waive this requirement in its entirety.

This Contract is contingent upon an inspection and/or risk assessment (the "Inspection") of the Property by a certified inspector/risk assessor for the presence of lead-based paint and/or lead-based paint hazards. The Inspection shall be ordered and obtained by Buyer at

Buyer's expense within ten (10) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within ten (10) calendar days after the parties agree to the terms in this Contract ("Completion Date"). If the Inspection indicates that no lead-based paint or lead-based paint hazard is present at the Property, this contingency clause shall be deemed null and void. If the Inspection indicates that lead-based paint or lead-based paint hazard is present at the Property, this contingency clause will terminate at the time set forth above unless, within five (5) business days from the Completion Date, Buyer delivers a copy of the inspection and/or risk assessment report to Seller and Brokers and (1) advises Seller and Brokers, in writing that Buyer is voiding this Contract; or (2) delivers to Seller and Brokers a written amendment (the "Amendment") to this Contract listing the specific existing deficiencies and corrections required by Buyer. The Amendment shall provide that Seller agrees to (a) correct the deficiencies; and (b) furnish Buyer with a certification from a certified inspector/risk assessor that the deficiencies have been corrected, before the Closing. Seller shall have \_\_\_\_\_ (if left blank, then 3) business days after receipt of the Amendment to sign and return it to Buyer or send a written counter-proposal to Buyer. If Seller does not sign and return the Amendment or fails to offer a counter-proposal, this Contract shall be null and void. If Seller offers a counter-proposal, Buyer shall have \_\_\_\_\_ (if left blank, then 3) business days after receipt of the counter-proposal to accept it. If Buyer fails to accept the counter-proposal within the time limit provided, this Contract shall be null and void.

**14. POINT-OF-ENTRY TREATMENT ("POET") SYSTEMS:** ☐ Applicable ☐ Not Applicable

A point-of-entry treatment ("POET") system is a type of water treatment system used to remove contaminants from the water entering a structure from a potable well, usually through a filtration process. Seller represents that a POET system has been installed to an existing well on the Property and the POET system was installed and/or maintained using funds received from the New Jersey Spill Compensation Fund Claims Program, N.J.S.A. 58:10-23.11, et seq. The Buyer understands that Buyer will not be eligible to receive any such funds for the continued maintenance of the POET system. Pursuant to N.J.A.C. 7:1J-2.5(c), Seller agrees to notify the Department of Environmental Protection within thirty (30) calendar days of executing this Contract that the Property is to be sold.

**15. CESSPOOL REQUIREMENTS:** ☐ Applicable ☐ Not Applicable

(This section is applicable if the Property has a cesspool, except in certain limited circumstances set forth in N.J.A.C. 7:9A-3.16.) Pursuant to New Jersey's Standards for Individual Subsurface Sewage Disposal Systems, N.J.A.C. 7:9A (the "Standards"), if this Contract is for the sale of real property at which any cesspool, privy, outhouse, latrine or pit toilet (collectively "Cesspool") is located, the Cesspool must be abandoned and replaced with an individual subsurface sewage disposal system at or before the time of the real property transfer, except in limited circumstances.

(A) Seller represents to Buyer that ☐ no Cesspool is located at or on the Property, or ☐ one or more Cesspools are located at or on the Property. [If there are one or more Cesspools, then also check EITHER Box 1 or 2 below.]

1. ☐ Seller agrees that, prior to the Closing and at its sole cost and expense, Seller shall abandon and replace any and all Cesspools located at or on the Property and replace such Cesspools with an individual subsurface sewage disposal system ("System") meeting all the requirements of the Standards. At or prior to the Closing, Seller shall deliver to Buyer a certificate of compliance ("Certificate of Compliance") issued by the administrative authority ("Administrative Authority") (as those terms are defined in N.J.A.C. 7:9A-2.1) with respect to the System. Notwithstanding the foregoing, if the Administrative Authority determines that a fully compliant system cannot be installed at the Property, then Seller shall notify Buyer in writing within three (3) business days of its receipt of the Administrative Authority's determination of its intent to install either a nonconforming System or a permanent holding tank, as determined by the Administrative Authority ("Alternate System"), and Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) business days of receipt of the notice from Seller. If Buyer fails to timely void this Contract, Buyer shall have waived its right to cancel this Contract under this paragraph, and Seller shall install the Alternate System and, at or prior to the Closing, deliver to Buyer such Certificate of Compliance or other evidence of approval of the Alternate System as may be issued by the Administrative Authority. The delivery of said Certificate of Compliance or other evidence of approval shall be a condition precedent to the Closing; or

2. ☐ Buyer agrees that, at its sole cost and expense, Buyer shall take all actions necessary to abandon and replace any and all Cesspools located at or on the Property and replace such Cesspools with a System meeting all the requirements of the Standards or an Alternate System. Buyer shall indemnify and hold Seller harmless for any and all costs, damages, claims, fines, penalties and assessments (including but not limited to reasonable attorneys' and experts' fees) arising from Buyer's violation of this paragraph. This paragraph shall survive the Closing.

(B) If prior to the Closing, either Buyer or Seller becomes aware of any Cesspool at or on the Property that was not disclosed by Seller at or prior to execution of this Contract, the party with knowledge of the newly identified Cesspool shall promptly, but in no event later than three (3) business days after receipt of such knowledge, advise the other party of the newly identified Cesspool in writing. In such event, the parties in good faith shall agree, no later than seven (7) business days after sending or receiving the written notice of the newly identified Cesspool, or the day preceding the scheduled Closing, whichever is sooner, to proceed pursuant to subsection (A) 1 or 2 above or such other agreement as satisfies the Standards, or either party may terminate this Contract.

291 **16. INSPECTION CONTINGENCY CLAUSE:**

292 **(A) Responsibilities of Home Ownership.**

293 Buyer and Seller acknowledge and agree that, because the purchase of a home is one of the most significant investments a person can  
294 make in a lifetime, all aspects of this transaction require considerable analysis and investigation by Buyer before closing title to the  
295 Property. While Brokers and salespersons who are involved in this transaction are trained as licensees under the New Jersey Licensing Act  
296 they readily acknowledge that they have had no special training or experience with respect to the complexities pertaining to the multitude  
297 of structural, topographical and environmental components of this Property. For example, and not by way of limitation, Brokers and  
298 salespersons have no special training, knowledge or experience with regard to discovering and/or evaluating physical defects, including  
299 structural defects, roof, basement, mechanical equipment, such as heating, air conditioning, and electrical systems, sewage, plumbing,  
300 exterior drainage, termite, and other types of insect infestation or damage caused by such infestation. Moreover, Brokers and salespersons  
301 similarly have no special training, knowledge or experience with regard to evaluation of possible environmental conditions which might  
302 affect the Property pertaining to the dwelling, such as the existence of radon gas, formaldehyde gas, airborne asbestos fibers, toxic  
303 chemicals, underground storage tanks, lead, mold or other pollutants in the soil, air or water.

304 **(B) Radon Testing, Reports and Mitigation.**

305 **(Radon is a radioactive gas which results from the natural breakdown of uranium in soil, rock and water. It has been**  
306 **found in homes all over the United States and is a carcinogen. For more information on radon, go to [www.epa.gov/](http://www.epa.gov/radon/pubs/citguide.html)**  
307 **[radon/pubs/citguide.html](http://www.epa.gov/radon/pubs/citguide.html) and [www.nj.gov/dep/rpp/radon](http://www.nj.gov/dep/rpp/radon) or call the NJ Radon Hot Line at 800-648-0394 or 609-984-5425.)**  
308

309  
310 If the Property has been tested for radon prior to the date of this Contract, Seller agrees to provide to Buyer, at the time of the execution  
311 of this Contract, a copy of the result of the radon test(s) and evidence of any subsequent radon mitigation or treatment of the Property.  
312 In any event, Buyer shall have the right to conduct a radon inspection/test as provided and subject to the conditions set forth in paragraph  
313 (D) below. If any test results furnished or obtained by Buyer indicate a concentration level of 4 picocuries per liter (4.0 pCi/L) or more in  
314 the subject dwelling, Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) business days of the  
315 receipt of any such report. For the purposes of this Section 16, Seller and Buyer agree that, in the event a radon gas concentration level  
316 in the subject dwelling is determined to be less than 4 picocuries per liter (4.0 pCi/L) without any remediation, such level of radon gas  
317 concentration shall be deemed to be an acceptable level ("Acceptable Level") for the purposes of this Contract. Under those circumstances,  
318 Seller shall be under no obligation to remediate, and this contingency clause as it relates to radon shall be deemed fully satisfied.

319  
320 If Buyer's qualified inspector reports that the radon gas concentration level in the subject dwelling is four picocuries per liter (4.0 pCi/L)  
321 or more, Seller shall have a seven (7) business day period after receipt of such report to notify Buyer in writing that Seller agrees to  
322 remediate the gas concentration to an Acceptable Level (unless Buyer has voided this Contract as provided in the preceding paragraph).  
323 Upon such remediation, the contingency in this Contract which relates to radon shall be deemed fully satisfied. If Seller fails to notify  
324 Buyer of Seller's agreement to so remediate, such failure to so notify shall be deemed to be a refusal by Seller to remediate the radon level  
325 to an Acceptable Level, and Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) calendar  
326 days thereafter. If Buyer fails to void this Contract within the seven (7) business day period, Buyer shall have waived Buyer's right to cancel  
327 this Contract and this Contract shall remain in full force and effect, and Seller shall be under no obligation to remediate the radon gas  
328 concentration. If Seller agrees to remediate the radon to an Acceptable Level, such remediation and associated testing shall be completed  
329 by Seller prior to the Closing.

330 **(C) Infestation and/or Damage By Wood Boring Insects.**

331 Buyer shall have the right to have the Property inspected by a licensed exterminating company of Buyer's choice, for the purpose of  
332 determining if the Property is free from infestation and damage from termites or other wood destroying insects. If Buyer chooses to make  
333 this inspection, Buyer shall pay for the inspection unless Buyer's lender prohibits Buyer from paying, in which case Seller shall pay. The  
334 inspection must be completed and written reports must be furnished to Seller and Broker(s) within \_\_\_\_ (if left blank, then 14) calendar  
335 days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-  
336 Review Clause Section of this Contract, then within \_\_\_\_ (if left blank, then 14) calendar days after the parties agree to the terms of this  
337 Contract. This report shall state the nature and extent of any infestation and/or damage and the full cost of treatment for any infestation.  
338 Seller agrees to treat any infestation and cure any damage at Seller's expense prior to Closing, provided, however, if the cost to cure exceeds  
339 1% of the purchase price of the Property, then either party may void this Contract provided they do so within \_\_\_\_ (if left blank, then 7)  
340 business days after the report has been delivered to Seller and Brokers. If Buyer and Seller are unable to agree upon who will pay for the  
341 cost to cure and neither party timely voids this Contract, then Buyer will be deemed to have waived its right to terminate this Contract  
342 and will bear the cost to cure that is over 1% of the purchase price, with Seller bearing the cost that is under 1% of the purchase price.  
343  
344

345 **(D) Buyer's Right to Inspections.**

346 Buyer acknowledges that the Property is being sold in an "as is" condition and that this Contract is entered into based upon the knowledge  
347 of Buyer as to the value of the land and whatever buildings are upon the Property, and not on any representation made by Seller, Brokers  
348 or their agents as to character or quality of the Property. Therefore, Buyer, at Buyer's sole cost and expense, is granted the right to have  
349 the dwelling and all other aspects of the Property, inspected and evaluated by "qualified inspectors" (as the term is defined in subsection G  
350 below) for the purpose of determining the existence of any physical defects or environmental conditions such as outlined above. If Buyer

chooses to make inspections referred to in this paragraph, such inspections must be completed, and written reports including a list of repairs Buyer is requesting must be furnished to Seller and Brokers within \_\_\_\_\_ (if left blank, then 14) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within \_\_\_\_\_ (if left blank, then 14) calendar days after the parties agree to the terms of this Contract. If Buyer fails to furnish such written reports to Seller and Brokers within the \_\_\_\_\_ (if left blank, then 14) calendar days specified in this paragraph, this contingency clause shall be deemed waived by Buyer, and the Property shall be deemed acceptable by Buyer. The time period for furnishing the inspection reports is referred to as the "Inspection Time Period." Seller shall have all utilities in service for inspections.

#### **(E) Responsibility to Cure.**

If any physical defects or environmental conditions (other than radon or woodboring insects) are reported by the qualified inspectors to Seller within the Inspection Time Period, Seller shall then have seven (7) business days after the receipt of such reports to notify Buyer in writing that Seller shall correct or cure any of the defects set forth in such reports. If Seller fails to notify Buyer of Seller's agreement to so cure and correct, such failure to so notify shall be deemed to be a refusal by Seller to cure or correct such defects. If Seller fails to agree to cure or correct such defects within the seven (7) business day period, or if the environmental condition at the Property (other than radon) is incurable and is of such significance as to unreasonably endanger the health of Buyer, Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) business days thereafter. If Buyer fails to void this Contract within the seven (7) business day period, Buyer shall have waived Buyer's right to cancel this Contract and this Contract shall remain in full force, and Seller shall be under no obligation to correct or cure any of the defects set forth in the inspections. If Seller agrees to correct or cure such defects, all such repair work shall be completed by Seller prior to the closing of title. Radon at the Property shall be governed by the provisions of subsection (B), above.

#### **(F) Flood Hazard Area (if applicable).**

The federal and state governments have designated certain areas as flood areas. If the Property is located in a flood area, the use of the Property may be limited. If Buyer's inquiry reveals that the Property is in a flood area, Buyer may cancel this Contract within ten (10) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within ten (10) calendar days after the parties agree to the terms of this Contract. If the mortgage lender requires flood insurance, then Buyer shall be responsible for obtaining such insurance on the Property. For a flood policy to be in effect immediately, there must be a loan closing. There is a thirty (30) calendar day wait for flood policies to be in effect for cash transactions. Therefore, cash buyers are advised to make application and make advance payment for a flood policy at least thirty (30) calendar days in advance of closing if they want coverage to be in effect upon transfer of title.

Buyer's mortgage lender may require Buyer to purchase flood insurance in connection with Buyer's purchase of this Property. The National Flood Insurance Program ("NFIP") provides for the availability of flood insurance but also establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Due to amendments to federal law governing the NFIP, those premiums are increasing and, in some cases, will rise by a substantial amount over the premiums previously charged for flood insurance for the Property. As a result, Buyer should not rely on the premiums paid for flood insurance on this Property previously as an indication of the premiums that will apply after Buyer completes the purchase. In considering Buyer's purchase of this Property, Buyer is therefore urged to consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, the premiums that are likely to be required to purchase such insurance and any available information about how those premiums may increase in the future.

#### **(G) Qualifications of Inspectors.**

Where the term "qualified inspectors" is used in this Contract, it is intended to refer to persons or businesses that are licensed or certified by the State of New Jersey for such purpose.

#### **17. MEGAN'S LAW STATEMENT:**

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

#### **18. MEGAN'S LAW REGISTRY:**

Buyer is notified that New Jersey law establishes an Internet Registry of Sex Offenders that may be accessed at [www.njsp.org](http://www.njsp.org). Neither Seller nor any real estate broker nor salesperson make any representation as to the accuracy of the registry.

#### **19. NOTIFICATION REGARDING OFF-SITE CONDITIONS: (Applicable to all resale transactions.)**

Pursuant to the New Residential Construction Off-Site Conditions Disclosure Act, N.J.S.A. 46:3C-1, et. seq, the clerks of municipalities in New Jersey maintain lists of off-site conditions which may affect the value of residential properties in the vicinity of the off-site condition. Buyers may examine the lists and are encouraged to independently investigate the area surrounding this property in order

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

## 20. AIR SAFETY AND ZONING NOTICE:

Any person who sells or transfers a property that is in an airport safety zone as set forth in the New Jersey Air Safety and Zoning Act of 1983, N.J.S.A. 6:1-80, et seq., and appearing on a municipal map used for tax purposes, as well as Seller's agent, shall provide notice to a prospective buyer that the property is located in an airport safety zone prior to the signing of the contract of sale. The Air Safety and Zoning Act also requires that each municipality in an airport safety zone enact an ordinance or ordinances incorporating the standards promulgated under the Act and providing for their enforcement within the delineated areas in the municipality. Buyer acknowledges receipt of the following list of airports and the municipalities that may be affected by them and that Buyer has the responsibility to contact the municipal clerk of any affected municipality concerning any ordinance that may affect the Property.

Municipality	Airport(s)	Municipality	Airport(s)
Alexandria Tp.	Alexandria & Sky Manor	Manalapan Tp. (Monmouth Cty.)	Old Bridge
Andover Tp.	Aeroflex-Andover & Newton	Mansfield Tp.	Hackettstown
Bedminster Tp.	Somerset	Manville Bor.	Central Jersey Regional
Berkeley Tp.	Ocean County	Medford Tp.	Flying W
Berlin Bor.	Camden County	Middle Tp.	Cape May County
Blairstown Tp.	Blairstown	Millville	Millville Municipal
Branchburg Tp.	Somerset	Monroe Tp. (Gloucester Cty.)	Gross Keys & Southern Cross
Buena Bor. (Atlantic Cty.)	Vineland-Downtown	Monroe Tp. (Middlesex Cty.)	Old Bridge
Dennis Tp.	Woodbine Municipal	Montgomery Tp.	Princeton
Eagleswood Tp.	Eagles Nest	Ocean City	Ocean City
Ewing Tp.	Trenton-Mercer County	Old Bridge Tp.	Old Bridge
E. Hanover Tp.	Morristown Municipal	Oldsman Tp.	Oldmans
Florham Park Bor.	Morristown Municipal	Pemberton Tp.	Pemberton
Franklin Tp. (Gloucester Cty.)	Southern Cross & Vineland Downtown	Pequannock Tp.	Lincoln Park
Franklin Tp. (Hunterdon Cty.)	Sky Manor	Readington Tp.	Solberg-Hunterdon
Franklin Tp. (Somerset Cty.)	Central Jersey Regional	Rocky Hill Boro.	Princeton
Green Tp.	Trinca	Southampton Tp.	Red Lion
Hammonton Bor.	Hammonton Municipal	Springfield Tp.	Red Wing
Hanover Tp.	Morristown Municipal	Upper Deerfield Tp.	Bucks
Hillsborough Tp.	Central Jersey Regional	Vineland City	Kroelinger & Vineland Downtown
Hopewell Tp. (Mercer Cty.)	Trenton-Mercer County	Wall Tp.	Monmouth Executive
Howell Tp.	Monmouth Executive	Wantage Tp.	Sussex
Lacey Tp.	Ocean County	Robbinsville	Trenton-Robbinsville
Lakewood Tp.	Lakewood	West Milford Tp.	Greenwood Lake
Lincoln Park Bor.	Lincoln Park	Winslow Tp.	Camden County
Lower Tp.	Cape May County	Woodbine Bor.	Woodbine Municipal
Lumberton Tp.	Flying W & South Jersey Regional		

The following airports are not subject to the Airport Safety and Zoning Act because they are subject to federal regulation or within the jurisdiction of the Port of Authority of New York and New Jersey and therefore are not regulated by New Jersey: Essex County Airport, Linden Airport, Newark Liberty Airport, Teterboro Airport, Little Ferry Seaplane Base, Atlantic City International Airport, and Maguire Airforce Base and NAEC Lakehurst.

## 21. BULK SALES:

The New Jersey Bulk Sales Law, N.J.S.A. 54:50-38, (the "Law") applies to the sale of certain residential property. Under the Law, Buyer may be liable for taxes owed by Seller if the Law applies and Buyer does not deliver to the Director of the New Jersey Division of Taxation (the "Division") a copy of this Contract and a notice on a form required by the Division (the "Tax Form") at least ten (10) business days prior to the Closing. If Buyer decides to deliver the Tax Form to the Division, Seller shall cooperate with Buyer by promptly providing Buyer with any information that Buyer needs to complete and deliver the Tax Form in a timely manner. Buyer promptly shall deliver to Seller a copy of any notice that Buyer receives from the Division in response to the Tax Form.

The Law does not apply to the sale of a simple dwelling house, or the sale or lease of a seasonal rental property, if Seller is an individual, estate or trust, or any combination thereof, owning the simple dwelling house or seasonal rental property as joint tenants, tenants in common or tenancy by the entirety. A simple dwelling house is a one or two family residential building, or a cooperative or condominium unit used as a residential dwelling, none of which has any commercial property. A seasonal rental property is a time share, or a dwelling unit that is rented for residential purposes for a term of not more than 125 consecutive days, by an owner that has a permanent residence elsewhere.

If, prior to the Closing, the Division notifies Buyer to withhold an amount (the "Tax Amount") from the purchase price proceeds for possible unpaid tax liabilities of Seller, Buyer's attorney or Buyer's title insurance company (the "Escrow Agent") shall withhold the Tax Amount from the closing proceeds and place that amount in escrow (the "Tax Escrow"). If the Tax Amount exceeds the amount of available closing proceeds, Seller shall bring the deficiency to the Closing and the deficiency shall be added to the Tax Escrow. If the Division directs the Escrow Agent or Buyer to remit funds from the Tax Escrow to the Division or some other entity, the Escrow Agent or Buyer shall do so. The Escrow Agent or Buyer shall only release the Tax Escrow, or the remaining balance thereof, to Seller (or as otherwise directed by the Division) upon receipt of written notice from the Division that it can be released, and that no liability will be asserted under the Law against Buyer.

## 22. NOTICE TO BUYER CONCERNING INSURANCE:

Buyer should obtain appropriate casualty and liability insurance for the Property. Buyer's mortgage lender will require that such insurance be in place at Closing. Occasionally, there are issues and delays in obtaining insurance. Be advised that a "binder" is only a temporary commitment to provide insurance coverage and is not an insurance policy. Buyer is therefore urged to contact a licensed insurance agent or broker to assist Buyer in satisfying Buyer's insurance requirements.

## 23. MAINTENANCE AND CONDITION OF PROPERTY:

Seller agrees to maintain the grounds, buildings and improvements, in good condition, subject to ordinary wear and tear. The premises shall be in "broom clean" condition and free of debris as of the Closing. Seller represents that all electrical, plumbing, heating and air conditioning systems (if applicable), together with all fixtures included within the terms of the Contract now work and shall be in proper working order at the Closing. Seller further states, that to the best of Seller's knowledge, there are currently no leaks or seepage in the roof, walls or basement. Seller does not guarantee the continuing condition of the premises as set forth in this Section after the Closing.

## 24. RISK OF LOSS:

The risk of loss or damage to the Property by fire or otherwise, except ordinary wear and tear, is the responsibility of Seller until the Closing.

## 25. INITIAL AND FINAL WALK-THROUGHS:

In addition to the inspections set forth elsewhere in this Contract, Seller agrees to permit Buyer or Buyer's duly authorized representative to conduct an initial and a final walk-through inspection of the interior and exterior of the Property at any reasonable time before the Closing. Seller shall have all utilities in service for the inspections.

## 26. ADJUSTMENTS AT CLOSING:

Seller shall pay for the preparation of the Deed, realty transfer fee, lien discharge fees, if any, and one-half of the title company charges for disbursements and attendance allowed by the Commissioner of Insurance; but all searches, title insurance premium and other conveyancing expenses are to be paid for by Buyer.

Seller and Buyer shall make prorated adjustments at Closing for items which have been paid by Seller or are due from Seller, such as real estate taxes, water and sewer charges that could be claims against the Property, rental and security deposits, association and condominium dues, and fuel in Seller's tank. Adjustments of fuel shall be based upon physical inventory and pricing by Seller's supplier. Such determination shall be conclusive.

If Buyer is assuming Seller's mortgage loan, Buyer shall credit Seller for all monies, such as real estate taxes and insurance premiums paid in advance or on deposit with Seller's mortgage lender. Buyer shall receive a credit for monies, which Seller owes to Seller's Mortgage lender, such as current interest or a deficit in the mortgage escrow account.

If the Property is used or enjoyed by not more than four families and the purchase price exceeds \$1,000,000, then pursuant to N.J.S.A. 46:15-7.2, Buyer will be solely responsible for payment of the fee due for the transfer of the Property, which is the so-called "Mansion Tax", in the amount of one (1%) percent of the purchase price.

Unless an exemption applies, non-resident individuals, estates, or trusts that sell or transfer real property in New Jersey are required to make an estimated gross income tax payment to the State of New Jersey on the gain from a transfer/sale of real property (the so-called "Exit Tax,") as a condition of the recording of the deed.

If Seller is a foreign person (an individual, corporation or entity that is a non-US resident) under the Foreign Investment in Real Property Tax Act of 1980, as amended ("FIRPTA"), then with a few exceptions, a portion of the proceeds of sale may need to be withheld from Seller and paid to the Internal Revenue Service as an advance payment against Seller's tax liability.

Seller agrees that, if applicable, Seller will (a) be solely responsible for payment of any state or federal income tax withholding amount(s) required by law to be paid by Seller (which Buyer may deduct from the purchase price and pay at the Closing); and (b) execute and deliver to Buyer at the Closing any and all forms, affidavits or certifications required under state and federal law to be filed in



connection with the amount(s) withheld.

There shall be no adjustment on any Homestead Rebate due or to become due.

**27. FAILURE OF BUYER OR SELLER TO CLOSE:**

If Seller fails to close title to the Property in accordance with this Contract, Buyer then may commence any legal or equitable action to which Buyer may be entitled. If Buyer fails to close title in accordance with this Contract, Seller then may commence an action for damages it has suffered, and, in such case, the deposit monies paid on account of the purchase price shall be applied against such damages. If Buyer or Seller breach this Contract, the breaching party will nevertheless be liable to Brokers for the commissions in the amount set forth in this Contract, as well as reasonable attorneys' fees, costs and such other damages as are determined by the Court.

**28. CONSUMER INFORMATION STATEMENT ACKNOWLEDGMENT:**

By signing below, Seller and Buyer acknowledge they received the Consumer Information Statement on New Jersey Real Estate Relationships from the Broker(s) prior to the first showing of the Property.

**29. DECLARATION OF BROKER(S)'S BUSINESS RELATIONSHIP(S):**

(A) \_\_\_\_\_, (name of firm) and its authorized representative(s) \_\_\_\_\_

\_\_\_\_\_  
(name(s) of licensee(s))

ARE OPERATING IN THIS TRANSACTION AS A (indicate one of the following)

☐ SELLER'S AGENT    ☐ BUYER'S AGENT    ☐ DISCLOSED DUAL AGENT    ☐ TRANSACTION BROKER.

(B) (If more than one firm is participating, provide the following.) INFORMATION SUPPLIED BY \_\_\_\_\_  
(name of other firm.) HAS INDICATED THAT IT IS

OPERATING IN THIS TRANSACTION AS A (indicate one of the following)

☐ SELLER'S AGENT    ☐ BUYER'S AGENT    ☐ TRANSACTION BROKER.

**30. BROKERS' INFORMATION AND COMMISSION:**

The commission, in accord with the previously executed listing agreement, shall be due and payable at the Closing and payment by Buyer of the purchase consideration for the Property. Seller hereby authorizes and instructs whomever is the disbursing agent to pay the full commission as set forth below to the below-mentioned Brokerage Firm(s) out of the proceeds of sale prior to the payment of any such funds to Seller. Buyer consents to the disbursing agent making said disbursements. The commission shall be paid upon the purchase price set forth in Section 2 and shall include any amounts allocated to, among other things, furniture and fixtures.

Listing Firm \_\_\_\_\_ REC License ID \_\_\_\_\_

Listing Agent \_\_\_\_\_ REC License ID \_\_\_\_\_

Address \_\_\_\_\_

Office Telephone \_\_\_\_\_ Fax \_\_\_\_\_ Agent Cell Phone \_\_\_\_\_  
(Per Listing Agreement)

E-mail \_\_\_\_\_ Commission due Listing Firm \_\_\_\_\_

Participating Firm \_\_\_\_\_ REC License ID \_\_\_\_\_

Participating Agent \_\_\_\_\_ REC License ID \_\_\_\_\_

Address \_\_\_\_\_

Office Telephone \_\_\_\_\_ Fax \_\_\_\_\_ Agent Cell Phone \_\_\_\_\_

E-mail \_\_\_\_\_ Commission due Participating Firm \_\_\_\_\_

591 **31. EQUITABLE LIEN:**

592 Under New Jersey law, brokers who bring the parties together in a real estate transaction are entitled to an equitable lien in the amount  
593 of their commission. This lien attaches to the property being sold from when the contract of sale is signed until the closing and then to  
594 the funds due to seller at closing, and is not contingent upon the notice provided in this Section. As a result of this lien, the party who  
595 disburses the funds at the Closing in this transaction should not release any portion of the commission to any party other than Broker(s)  
596 and, if there is a dispute with regard to the commission to be paid, should hold the disputed amount in escrow until the dispute with  
597 Broker(s) is resolved and written authorization to release the funds is provided by Broker(s).

598  
599 **32. DISCLOSURE THAT BUYER OR SELLER IS A REAL ESTATE LICENSEE:** ☐ Applicable ☐ Not Applicable

600 A real estate licensee in New Jersey who has an interest as a buyer or seller of real property is required to disclose in the sales contract  
601 that the person is a licensee. \_\_\_\_\_ therefore discloses that he/she is licensed in New Jersey as  
602 a real estate ☐ broker ☐ broker-salesperson ☐ salesperson ☐ referral agent.

603  
604 **33. BROKERS TO RECEIVE CLOSING DISCLOSURE AND OTHER DOCUMENTS:**

605 Buyer and Seller agree that Broker(s) involved in this transaction will be provided with the Closing Disclosure documents and any  
606 amendments to those documents in the same time and manner as the Consumer Financial Protection Bureau requires that those  
607 documents be provided to Buyer and Seller. In addition, Buyer and Seller agree that, if one or both of them hire an attorney who  
608 disapproves this Contract as provided in the Attorney-Review Clause Section, then the attorney(s) will notify the Broker(s) in writing when  
609 either this Contract is finalized or the parties decide not to proceed with the transaction.

610  
611 **34. PROFESSIONAL REFERRALS:**

612 Seller and Buyer may request the names of attorneys, inspectors, engineers, tradespeople or other professionals from their Brokers  
613 involved in the transaction. Any names provided by Broker(s) shall not be deemed to be a recommendation or testimony of competency of  
614 the person or persons referred. Seller and Buyer shall assume full responsibility for their selection(s) and hold Brokers and/or salespersons  
615 harmless for any claim or actions resulting from the work or duties performed by these professionals.

616  
617 **35. ATTORNEY-REVIEW CLAUSE:**

618 **(1) Study by Attorney.**

619 Buyer or Seller may choose to have an attorney study this Contract. If an attorney is consulted, the attorney must complete his or her  
620 review of the Contract within a three-day period. This Contract will be legally binding at the end of this three-day period unless an  
621 attorney for Buyer or Seller reviews and disapproves of the Contract.

622  
623 **(2) Counting the Time.**

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

626  
627 **(3) Notice of Disapproval.**

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

633  
634 **36. NOTICES:**

635 All notices shall be by certified mail, fax, email, recognized overnight courier or electronic document (except for notices under the  
636 Attorney-Review Clause Section) or by delivering it personally. The certified letter, email, reputable overnight carrier, fax or electronic  
637 document will be effective upon sending. Notices to Seller and Buyer shall be addressed to the addresses in Section 1, unless otherwise  
638 specified in writing by the respective party.

639  
640 **37. NO ASSIGNMENT:**

641 This Contract shall not be assigned without the written consent of Seller. This means that Buyer may not transfer to anyone else Buyer's  
642 rights under this Contract to purchase the Property.

643  
644 **38. ELECTRONIC SIGNATURES AND DOCUMENTS:**

645 Buyer and Seller agree that the New Jersey Uniform Electronic Transaction Act, N.J.S.A. 12A:12-1 to 26, applies to this transaction,  
646 including but not limited to the parties and their representatives having the right to use electronic signatures and electronic documents that  
647 are created, generated, sent, communicated, received or stored in connection with this transaction. Since Section 11 of the Act provides  
648 that acknowledging an electronic signature is not necessary for the signature of such a person where all other information required to  
649 be included is attached to or logically associated with the signature or record, such electronic signatures, including but not limited to an  
650 electronic signature of one of the parties to this Contract, do not have to be witnessed.

651 **39. CORPORATE RESOLUTIONS:**

652 If Buyer or Seller is a corporate or other entity, the person signing below on behalf of the entity represents that all required corporate  
653 resolutions have been duly approved and the person has the authority to sign on behalf of the entity.  
654

655 **40. ENTIRE AGREEMENT; PARTIES LIABLE:**

656 This Contract contains the entire agreement of the parties. No representations have been made by any of the parties, the Broker(s) or its  
657 salespersons, except as set forth in this Contract. This Contract is binding upon all parties who sign it and all who succeed to their rights  
658 and responsibilities and only may be amended by an agreement in writing signed by Buyer and Seller.  
659

660 **41. APPLICABLE LAWS:**

661 This Contract shall be governed by and construed in accordance with the laws of the State of New Jersey and any lawsuit relating to  
662 this Contract or the underlying transaction shall be venued in the State of New Jersey.  
663

664 **42. ADDENDA:**

665 The following additional terms are included in the attached adenda or riders and incorporated into this Contract (check if applicable):

- |  |  |
|--|--|
| <input type="checkbox"/> Buyer's Property Sale Contingency             | <input type="checkbox"/> Private Well Testing                    |
| <input type="checkbox"/> Condominium/Homeowner's Associations          | <input type="checkbox"/> Properties With Three (3) or More Units |
| <input type="checkbox"/> FHA/VA Loans                                  | <input type="checkbox"/> Seller Concession                       |
| <input type="checkbox"/> Lead Based Paint Disclosure (Pre-1978)        | <input type="checkbox"/> Short Sale                              |
| <input type="checkbox"/> New Construction                              | <input type="checkbox"/> Underground Fuel Tank(s)                |
| <input type="checkbox"/> Private Sewage Disposal (Other than Cesspool) |  |

673 **43. ADDITIONAL CONTRACTUAL PROVISIONS:**

684 **WITNESS:**

685		
686		
687	BUYER	Date
688		
689		
690	BUYER	Date
691		
692		
693	BUYER	Date
694		
695		
696	BUYER	Date
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698		
699	SELLER	Date
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701		
702	SELLER	Date
703		
704		
705	SELLER	Date
706		
707		
708	SELLER	Date

## CONSUMER INFORMATION STATEMENT ON NEW JERSEY REAL ESTATE RELATIONSHIPS

In New Jersey, real estate licensees are required to disclose how they intend to work with buyers and sellers in a real estate transaction. (In rental transactions, the terms "buyers" and "sellers" should be read as "tenants" and "landlords", respectively.)

1. AS A SELLER'S AGENT OR SUBAGENT, I, AS A LICENSEE, REPRESENT THE SELLER AND ALL MATERIAL INFORMATION SUPPLIED TO ME BY THE BUYER WILL BE TOLD TO THE SELLER.

2. AS A BUYER'S AGENT, I AS LICENSEE, REPRESENT THE BUYER AND ALL MATERIAL INFORMATION SUPPLIED TO ME BY THE SELLER WILL BE TOLD TO THE BUYER.

3. AS A DISCLOSED DUAL AGENT, I AS A LICENSEE, REPRESENT BOTH PARTIES, HOWEVER, I MAY NOT, WITHOUT EXPRESS PERMISSION, DISCLOSE THAT THE SELLER WILL ACCEPT A PRICE LESS THAN THE LISTING PRICE OR THAT THE BUYER WILL PAY A PRICE GREATER THAN THE OFFERED PRICE.

4. AS A TRANSACTION BROKER, I, AS A LICENSEE, DO NOT REPRESENT EITHER THE BUYER OR THE SELLER. ALL INFORMATION I ACQUIRE FROM ONE PARTY MAY BE TOLD TO THE OTHER PARTY.

Before you disclose confidential information to a real estate licensee regarding a real estate transaction, you should understand what type of business relationship you have with that licensee. There are four business relationships: (1) seller's agent; (2) buyer's agent; (3) disclosed dual agent; and (4) transaction broker. Each of these relationships imposes certain legal duties and responsibilities on the licensee as well as on the seller or buyer represented. These four relationships are defined in greater detail below. Please read carefully before making your choice.

### SELLERS' AGENT

A seller's agent WORKS ONLY FOR THE SELLER and has legal obligations, called fiduciary duties, to the seller. These include reasonable care, undivided loyalty, and confidentiality and full disclosure. Seller's agents often work with buyers, but do not represent the buyers. However, in working with buyers as a seller's agent must act honestly. In dealing with both parties, a seller's agent may not make any misrepresentations to either party on matters material to the transaction, such as the buyer's financial ability to pay, and must disclose

defects of a material nature affecting the physical condition of the property which a reasonable inspection by the licensee would disclose.

Seller's agents include all persons licensed with the brokerage firm, which has been authorized through a listing agreement to work as the seller's agent. In addition, other brokerage firms may accept an offer to work with the listing broker's firm as the seller's agents. In such cases, those firms and all persons licensed with such firms are called "sub-agents." Sellers who do not desire to have their property marketed through sub-agents should so inform the seller's agent.

### BUYER'S AGENT

A buyer's agent WORKS ONLY FOR THE BUYER. A buyer's agent has fiduciary duties to the buyer, which include reasonable care, undivided loyalty, and confidentiality and full disclosure. However, in dealing with sellers, a buyer's agent must act honestly. In dealing with both parties, a buyer's agent may not make any misrepresentations on matters material to the transaction, such as the buyer's financial ability to pay, and must disclose defects of a material nature affecting the physical condition of the property which a reasonable inspection by the licensee would disclose.

A buyer wishing to be represented by a buyer's agent is advised to enter into a separate written buyer agency contract with the brokerage firm, which is to work as their agent.

### DISCLOSED DUAL AGENT

A disclosed dual agent WORKS FOR BOTH THE BUYER AND SELLER. To work as a dual agent, a firm must first obtain the **informed written consent** of the buyer and the seller. Therefore, before acting as a disclosed dual agent, brokerage firms must make written disclosure to both parties. Disclosed dual agency is most likely to occur when a licensee with a real estate firm working as a buyer's agent shows the buyer properties owned by sellers for whom that firm is also working as a seller's agent or sub-agent.

A real estate licensee working as a disclosed dual agent must carefully explain to each party, that, in addition to working as their agent, their firm will also work as the agent for the party. They must also explain what effect their working as a disclosed dual agent will have on the fiduciary duties their firm owes to the buyer and to the seller. When working as a disclosed dual agent, a brokerage firm must have the express permission of a party prior to disclosing confidential information to the other party. Such information includes the highest price a buyer can afford to pay and the lowest price a seller will accept and the parties' motivation to buy or sell.

Remember, a brokerage firm acting as a disclosed dual agent will not be able to put one party's interests ahead of those of the other party and cannot advise or counsel either party on how to gain an advantage at the expense of the other party on the basis of confidential information obtained from or about the other party.

If you decide to enter into an agency relationship with a firm, which is to work as a disclosed dual agent, you are advised to sign a written agreement with that firm.

#### TRANSACTION BROKER

The New Jersey Real Estate Licensing Law does not require licensees to work in the capacity of an "agent" when providing brokerage services. A transaction broker works with a buyer or a seller or both in the sales transaction without representing anyone. A TRANSACTION BROKER DOES NOT PROMOTE THE INTERESTS OF ONE PARTY OVER THOSE OF THE OTHER PARTY TO THE TRANSACTION. Licensees with such a firm would be required to treat all parties honestly and to act in a competent manner, but they would not be required to keep confidential any information. A transaction broker can locate qualified buyers for a seller or suitable properties for a buyer. They can then work with both parties in an effort to arrive at an agreement on the sale or rental of real estate and perform tasks to facilitate the closing of a transaction.

A transaction broker primarily serves as a manager of the transaction, communicating information between the parties to assist them in arriving at a mutually acceptable agreement and in closing the transaction, but cannot advise or counsel either party on how to gain an advantage at the expense of the other party. Owners considering working with transaction brokers are advised to sign a written agreement with that firm which clearly states what services that firm will perform and how it will be paid. In addition, any transaction brokerage agreement with a seller or landlord should specifically state whether a notice on the property to be rented or sold will or will not be circulated in any or all Multiple Listing System(s) of which that firm is a member.

YOU MAY OBTAIN LEGAL ADVICE ABOUT THESE BUSINESS RELATIONSHIPS FROM YOUR OWN LAWYER.

THIS STATEMENT IS NOT A CONTRACT AND IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY.

ACKNOWLEDGEMENT OF RECEIPT OF CONSUMER INFORMATION STATEMENT (CIS)

#### FOR SELLERS AND LANDLORDS

"By signing this Consumer Information Statement, I acknowledge that I received this Statement from \_\_\_\_\_ (Name of Brokerage Firm) prior to discussing my motivation to sell or lease or my desired selling or leasing price with one of its representatives."

Signed \_\_\_\_\_

#### FOR BUYERS AND TENANTS

"By signing this Consumer Information Statement, I acknowledge that I received this Statement from \_\_\_\_\_ (Name of Brokerage Firm) prior to discussing my motivation or financial ability to buy or lease with one of its representatives."

Signed \_\_\_\_\_

###

#### DECLARATION OF BUSINESS RELATIONSHIP

I, \_\_\_\_\_,

(name of licensee)

as an authorized representative of \_\_\_\_\_,

(name of brokerage firm)

intend, as of this time, to work with you as a:  
(indicate one of the following)

- ☐ seller's agent only
- ☐ buyer's agent only
- ☐ seller's agent and disclosed dual agent if the opportunity arises
- ☐ buyer's agent and disclosed dual agent if the opportunity arises
- ☐ transaction broker only
- ☐ seller's agent on properties on which this firm is acting as the seller's agent and transaction broker on other properties

DATE \_\_\_\_\_

5/98 CIS (A)



NEW JERSEY REALTORS®  
ADDENDUM REGARDING BUYER'S PROPERTY SALE CONTINGENCY

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This Addendum is attached to and made a part of the New Jersey Realtors® Standard Form of Real Estate Sales Contract, Form 118 (the "Contract"). If this Addendum conflicts with the Contract, then this Addendum shall control.

This Contract is contingent upon the sale of Buyer's property (or properties) located at \_\_\_\_\_  
on or before \_\_\_\_\_(date) ("Buyer's Property").

**(A) IF BUYER'S PROPERTY UNDER CONTRACT:**

If Buyer's Property presently is the subject of a contract of sale, Buyer agrees to provide a copy of the contract of sale to Brokers and to Seller at the time of signing of this Contract, to notify Brokers and Seller of any material change in the status of the contract of sale and, if a closing date is set, within three (3) business days of setting the date for the closing.

**(B) IF BUYER'S PROPERTY NOT UNDER CONTRACT:**

If Buyer's Property is not the subject of a contract of sale, Buyer represents that Buyer's Property is or will be listed for sale with a licensed real estate broker within five (5) business days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within five (5) business days after the parties agree to the terms of this Contract. A copy of the executed Listing Agreement will be provided to Brokers and Seller within three (3) business days of its execution. Buyer agrees to use best efforts to cause the property to be sold, including but not limited to listing the property at a reasonable price and on reasonable terms and submitting it to a prominent multiple listing service serving the community in which Buyer's Property is located. If Buyer enters into a contract of sale for Buyer's Property, Buyer shall provide to Brokers and Seller the contract of sale within three (3) business days of delivery of the fully executed Contract of Sale to Buyer and to notify Brokers and Seller of any material change in the status of the contract of sale and, if a closing date is set, the date of the closing within three (3) business days of when the date for closing is set. If the contract of sale for Buyer's Property is terminated for any reason that is beyond Buyer's control and through no fault of Buyer, then this Contract shall become null and void unless otherwise agreed to in writing by Buyer and Seller. If Buyer does not enter into such a contract of sale on or before \_\_\_\_\_(date), this Contract shall be null and void unless Buyer has delivered to Brokers and Seller a written waiver of this contingency, which shall include written financial information clearly evidencing Buyer's financial ability to close this transaction, or Seller agrees, in Seller's sole discretion, in writing to extend the time period(s) set forth in this contingency.

Seller shall have the right to continue to market the Property for sale to another buyer until such time as Buyer provides a contract of sale to Brokers and Seller for the sale of Buyer's Property. If Seller receives an acceptable offer to purchase the Property prior to receiving from Buyer a contract of sale for the purchase of Buyer's Property, then Seller shall notify Buyer of the offer and Buyer will have two (2) business days to deliver to Brokers and Seller a written waiver of this contingency, which shall include written financial information clearly evidencing Buyer's financial ability to close this transaction. If such a waiver and financial information is not timely provided, then Seller, in Seller's sole discretion, may declare this Contract null and void, in which case all deposit monies shall be returned to Buyer and Seller shall have no further liability to Buyer.

**(C) IF CLOSING ON BUYER'S PROPERTY DELAYED:**

If the closing on the sale of Buyer's Property has to be delayed either because a lender does not timely provide documents through no fault of Buyer or for three (3) business days because of the change of terms as required by the Consumer Financial Protection Bureau, the Closing with Seller shall be delayed to allow Buyer to close on Buyer's Property before the Closing.



WITNESS:

BUYER

Date

BUYER

Date

BUYER

Date

BUYER

Date

SELLER

Date

SELLER

Date

SELLER

Date

SELLER

Date



## NEW JERSEY REALTORS® ADDENDUM FOR NEW CONSTRUCTION

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This Addendum is attached to and made a part of the New Jersey Realtors® Standard Form of Real Estate Sales Contract, Form 118 (the "Contract"). If this Addendum conflicts with the Contract, then this Addendum shall control.

### 1. TIME OF CLOSING OF TITLE:

The Closing will occur when Seller delivers the Deed to the Property and Buyer delivers the unpaid portion of the total purchase price and all other sums required to be paid under this Addendum. The Closing is anticipated to occur at such place as Seller may designate. This date shall be the Anticipated Closing Date. Seller will notify Buyer in writing of the exact date, time and place of Closing at least ten (10) business days before it occurs. Seller may not schedule the Closing before the Anticipated Closing Date unless Buyer consents. Upon receiving notice of the exact date, time and place of closing, Buyer may not postpone the Closing without the consent of Seller. FAILURE OF BUYER TO CLOSE TITLE AT THE SCHEDULED TIME AND PLACE, UNLESS SELLER CONSENTS TO A POSTPONEMENT, OR AS OTHERWISE PROVIDED IN THIS SECTION, WILL BE A BREACH OF THIS ADDENDUM. Buyer will close even if all site or other improvements are not complete. No funds will be escrowed if the improvements or the preoccupancy inspection report items are incomplete. If Buyer is unable or refuses to close on the date and time specified by Seller, at its option, Seller may exercise its rights in this Addendum or have Buyer reimburse Seller at or before Closing for Seller's total reasonable carrying and administrative costs for postponing the Closing to another time, date and place set by Seller.

However, Buyer and Seller agree that Seller will not unreasonably schedule the Closing before Buyer has a reasonable amount of time to secure a mortgage, if applicable, and that Buyer will not be in breach of this Section if the Closing has to be delayed either because a lender does not timely provide documents through no fault of Buyer or Seller or for three (3) business days because of the change of terms as required by the Consumer Financial Protection Bureau.

Buyer will be under no obligation to close title unless Seller provides a temporary, conditional or permanent Certificate of Occupancy at or before the Closing. Issuance of a permanent Certificate of Occupancy shall be accepted by the parties as conclusive evidence that construction has been completed according to its plans and specifications.

### 2. SELLER'S INABILITY TO DELIVER THE DEED:

If Seller will not be able to deliver the Deed on the Anticipated Closing Date, Seller may postpone the Closing for up to \_\_\_\_\_ calendar days from the Anticipated Closing Date. To exercise this right, Seller must notify Buyer in writing within not less than ten (10) calendar days of the Anticipated Closing Date that the Closing has been postponed and specify the new Closing date. If, after this extended period has expired, Seller is still unable to deliver the Deed, Buyer may terminate this Addendum by so notifying Seller in writing. If this Addendum is so terminated by Buyer, Seller will, within ten (10) business days, return to Buyer all deposit monies paid under this Addendum with interest if Seller has retained the deposit monies in escrow and placed them in an interest bearing account. Seller will also reimburse Buyer for the expenses of title searches and survey certificates which Buyer has incurred if Buyer produces adequate proof that Buyer has paid or been charged these expenses. When Seller returns the deposit monies and makes any applicable reimbursement to Buyer, neither Buyer nor Seller will have any further rights or obligations under this Addendum. To comply with the Interstate Land Sales Act, Seller states that this Addendum is for the sale of the house on improved land.

Buyer agrees that, if this Addendum is postponed and/or terminated under this Section, Seller will not be responsible for any expenses which Buyer might incur as a result of the delay or termination. Such expenses include but are not limited to storage of Buyer's furniture or other personal property and/or substituted housing, as well as mortgage commitment extension fees.

### 3. SUBSTITUTION OF MATERIALS:

Seller has the right to make substitution of materials, equipment or design changes without prior notice to Buyer whenever Seller, in its sole discretion, finds it necessary or expedient for reasons, such as site conditions and availability of materials, provided that the substitutions are of equal or better quality. Seller has the right, in its sole discretion, to determine the placement of the House on the lot, including a reverse of the floor plan; the right to make any grading adjustments; and to remove, change or leave any naturally occurring features on the lot.

### 4. STANDARD CHOICES:

All color and other selections for standard items to be included, where selections are offered by Seller, must be made by Buyer within seven (7) calendar days of the date Buyer receives a fully signed copy of this Addendum or such later date as Seller may permit in writing. All color and other selections, where selections are offered by Seller, with regard to options and/or extras to be included in the House,





must be made by Buyer within seven (7) calendar days of Buyer's agreement with Seller to include such options and/or extras in the purchase of the Property. If Buyer does not notify Seller within the proper time of the choice selected, Seller, in its sole discretion, has the right to do one or more of the following: (a) increase the prices of decorator selections; (b) change the Anticipated Closing Date; or (c) make decorator selections for Buyer and Buyer will accept and pay for the selections made by Seller. If Seller elects to make choices for Buyer, the choice(s), as selected by Seller, may not be changed by Buyer, except as set forth in this Section. If all selections are not made within the selection period or if Buyer seeks to change previously made selections, whether made by Buyer or Seller, after the expiration of the selection period, Seller reserves the right to impose a \$ \_\_\_\_\_ processing fee for each such selection or selection change. It shall be in the sole discretion of Seller whether to agree to permit any selection or selection change after the expiration of the selection period. Buyer's selections and extras or options are limited to those explicitly listed in this Addendum or on a selection sheet provided by Seller or on display in Seller's sample of the model type being purchased. Buyer understands that Seller's ability to deliver materials, appliances, equipment or extra or optional items of the kind, color, make or model which were displayed to or chosen by Buyer depends upon availability from manufacturers and/or suppliers. If any standard, extra or optional item to be sold as a part of or with the House becomes unavailable for reasons beyond Seller's control, Buyer authorizes Seller as follows: (a) to substitute colors which Seller feels are compatible with the color scheme of the House; and (b) to substitute materials, appliances, equipment or optional items of equal or better quality. Where possible, Seller will consult with Buyer before making any substitution. However, if Seller exercises this authority to make substitutions, Buyer will be obligated to accept the substitutions.

Buyer understands and agrees that all work to be performed in connection with the construction shall be done under the order and direction of Seller. No contractors, agents or other persons, including Buyer, shall be allowed to perform work of any kind on the Property prior to the Closing and delivery of the Deed to the Property from Seller to Buyer.

#### 5. OPTIONS AND SELECTIONS:

Options or extras offered by Seller and desired by Buyer not listed at the time this Addendum is signed by Buyer and Seller and the cost of which is not included in this purchase price stated in this Addendum must be paid for when ordered by Buyer unless Seller and Buyer agree otherwise in a writing signed by both of them.

#### 6. CONSTRUCTION STANDARDS:

Construction shall be performed in a good and workmanlike manner and shall comply with all applicable Federal, State and local laws and regulations. Seller agrees that it has constructed or will construct the Property to substantially conform to the model type, if any, indicated, which Buyer has selected after inspecting Seller's plans, specifications and/or sample and all improvements shall be constructed within the lot lines. BUYER UNDERSTANDS THAT THE HOUSE, AS CONSTRUCTED, MAY VARY FROM SELLER'S PROMOTIONAL MATERIALS AND/OR PLANS AND/OR SPECIFICATIONS FOR THE MODEL TYPE AND/OR FROM SELLER'S SAMPLE OF THE MODEL TYPE TO THE EXTENT THAT FIELD CONDITIONS, TOPOGRAPHY, AVAILABILITY OF MATERIALS AND OTHER CIRCUMSTANCES BEYOND SELLER'S CONTROL MAY PREVENT THE HOUSE FROM CONFORMING TO SUCH PROMOTIONAL MATERIALS, PLANS, SPECIFICATIONS AND/OR SAMPLE OF THE MODEL TYPE. BUYER UNDERSTANDS THAT SELLER'S SAMPLES MAY CONTAIN OPTIONS AND/OR EXTRAS THAT ARE NOT INCLUDED IN THE BASE PRICE OF THE HOUSE. SELLER WILL CLEARLY MARK THESE EXTRAS AND/OR OPTIONS IN THE SAMPLES.

#### 7. WARRANTIES:

Seller warrants the construction to Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller will enroll the Property in an approved warranty security plan prior to the Closing. Seller will pay all requisite fees and premiums for enrollment and coverage, provided that Buyer will be responsible for any deductibles which are a part of the warranty security plan. Seller warrants the construction of any common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Seller warrants the following to be free from material and workmanship defects for a period of one (1) year from the date of possession or closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one (1) year from the date of their construction. Seller warrants that the House is fit for its intended use. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PURPOSE OTHER THAN AS EXPRESSLY STATED IN THIS AGREEMENT AND IN THE WARRANTY ACT. SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OR WARRANTY ARISING BY VIRTUE OF LAW WITH RESPECT TO THE PROPERTY, OR ANYTHING CONTAINED IN THE HOUSE, OR WHICH WOULD OTHERWISE ARISE BY VIRTUE OF THE MAKING OF THIS ADDENDUM. THIS MEANS THAT THE ONLY WARRANTIES WHICH ARE GIVEN BY SELLER TO BUYER OR OTHER OWNER OF THE PROPERTY ARE THOSE LISTED ABOVE.

At the Closing, Seller will assign to Buyer any unexpired, assignable warranties issued by the manufacturers or suppliers of appliances, equipment or other personal property installed in or sold with the Property. Seller does not independently warrant any such appliance, equipment or other personal property, except to the extent required within this Addendum.

By signing this Addendum, Buyer acknowledges and agrees to the following statements:

Seller is not obligated to repair or replace any part of the House or other property, which is the subject of this Addendum unless it is covered by one of the warranties listed above;

Seller has not made any promises or representations as to the condition of the House or other property, which is the subject of this

Addendum;

Seller has not authorized anyone else to make any promise or representation as to the condition of the House or other property which is the subject of this Addendum; and

The furniture, decorations, wall and window treatments, upgraded flooring, cabinetry, lighting fixtures, appliances and/or other upgrades and/or options in Seller's samples are for display purposes only and are not included in the sale of the Property unless separately agreed to in a rider to this Addendum.

Seller also expressly disclaims liability for any consequential damages to personal property arising out of any breach of warranty. This means that Seller will not be responsible if personal property is damaged because of a defect in any warranted item. By signing this Addendum, Buyer agrees that Seller will not be liable for consequential damages.

#### 8. INSULATION:

The House shall be insulated with \_\_\_\_\_ [insert type] as follows:

LOCATION	THICKNESS	R-VALUE
Attic	_____	_____
Exterior Walls	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The above-stated R-values are based upon information supplied to Seller by the manufacturer of the insulation.

#### 9. WELL/SEPTIC CERTIFICATION:

Seller shall comply with all laws, ordinances, rules and regulations for the installation and testing of the private well and septic system. Seller shall obtain all approvals necessary to test and operate the private well and septic system and shall provide copies of all approvals to Buyer. Seller represents that the drinking water shall be potable and in compliance with all applicable governmental standards.

#### 10. SITE VISITS/PREOCCUPANCY INSPECTION:

Buyer and Buyer's contractors are not allowed to do any work in the House before the Closing. Due to safety and insurance regulations, Buyer's site inspections must be by appointment and accompanied by Seller's representative. Visits to the House when under construction are limited to two (2) visits before the initial and final inspections. Buyer assumes all liability for any damage or injuries during any unaccompanied visit. A breach of this Section is a default under this Addendum.

#### 11. INITIAL AND FINAL WALK-THROUGHS:

In addition to the inspections set forth elsewhere in this Addendum, Seller agrees to permit Buyer or Buyer's duly authorized representative to conduct an initial and a final walk-through inspection of the interior and exterior of the Property at any reasonable time before the Closing. Buyer agrees that the walk-throughs shall be with a representative of Seller so that Buyer and Seller can prepare a list of mutually agreed incomplete items that are Seller's responsibility and that are to be serviced by Seller within a reasonable period of time after the Closing. Buyer and Seller will sign the list. The items agreed upon to be prepared or completed by Seller will not prevent or delay the Closing. Seller shall have all utilities in service for the inspections.

Unless required by the New Home Warranty and Builder's Registration Act and covered by the insurance program, Seller does not warrant nor will Seller change the color variations or dye lots or streaks in brick, stone, marble, shingles, paints, tiles, cabinets, carpeting, and/or woodgrains and the staining of woodgrains. Seller shall have no responsibility whatsoever for any difference or change in color, tint, shading, discoloration, or toning between samples of standard items, extras, options or upgraded items displayed to Buyer or of merchandise ordered by either Buyer or Seller, and that which is actually delivered and/or installed in or upon the subject premises. It is expressly understood that Buyer shall not be permitted access to the House prior to the Closing unless such access has previously been arranged with Seller. Buyer agrees that Buyer will not request or demand any escrows for incomplete items at the Closing. Rather, Buyer agrees to accept a written guarantee from Seller that the incomplete work will be completed within a reasonable period of time. An additional list of incomplete items may be submitted by Buyer to Seller within thirty (30) days after the Closing. The only items which will be Seller's responsibility to complete are those that are considered a defect by the Homeowner Warranty standards. Such additional items will be completed within a reasonable period of time. It is specifically agreed that the pre-closing walk-throughs are the only time cosmetic items will be addressed by Seller. Seller does not warrant cracks in doors, trim, sheetrock or walls; chips, scratches or mars in tile, glass, woodwork, walls, brick, mirrors, countertops; or nail pops in trim, sheetrock, walls or flooring unless specifically listed and agreed upon on the pre-closing walk-throughs.

After the Closing, Buyer agrees to provide Seller with convenient access to the dwelling and be present whenever reasonably requested by Seller so that Seller can make the repairs that are Seller's responsibility. Buyer agrees to remove any obstruction installed or stored by Buyer, at Buyer's own cost, which in any way makes Seller's responsibility more difficult or costly. If Seller, or anyone that Seller designates, schedules repairs to be made within normal business hours and Buyer unreasonably denies convenient access to the House, then Seller is

relieved of Seller's responsibility to make those specific repairs.

Buyer and Seller acknowledge and agree that the warranty and insurance remedies contained in the Homeowner Warranty provided by Seller to Buyer constitute the only remedy or recourse to Buyer. The parties agree that the conciliation and arbitration procedures as outlined in the Homeowners Warranty Act are better suited to the determination of outstanding issues, if any, between the parties than any remedy which may be secured by resort to legal process. Any disputes between Buyer and Seller shall be resolved pursuant to the mandatory binding arbitration provisions contained herein.

**12. RECORDING OF AGREEMENT PROHIBITED:**

Buyer agrees not to record this Addendum or any memorandum of this Addendum. If Buyer breaches this promise, Seller may declare this Addendum in default and proceed as provided in this Addendum.

**13. NOTIFICATION REGARDING OFF-SITE CONDITIONS:**

Pursuant to the New Residential Construction Off-Site Conditions Disclosure Act, N.J.S.A. 46:3C-1, et seq., sellers of newly constructed residential real estate are required to notify buyers of the availability of lists disclosing the existence and location of off-site conditions which may affect the value of the residential real estate being sold. The lists are to be made available by the municipal clerk of the municipality within which the residential real estate is located and in other municipalities which are within one-half mile of the residential real estate. The addresses and telephone numbers of the relevant municipalities and the appropriate municipal offices where the lists are made available are listed below. Buyers are encouraged to exercise all due diligence in order to obtain any additional or more recent information that they believe may be relevant to their decision to purchase the residential real estate. Buyers are also encouraged to undertake an independent examination of the general area within which the residential real estate is located in order to become familiar with any and all conditions, which may affect the value of the residential real estate.

Buyer has five (5) business days from the date this Addendum is executed by Buyer and Seller to send notice of cancellation of this Addendum to Seller. The notice of cancellation shall be sent by certified mail. The cancellation will be effective upon the notice of cancellation being mailed. If Buyer does not send a notice of cancellation to Seller in the time or manner described above, Buyer will lose the right to cancel this Addendum as provided in this notice.

MUNICIPALITY \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

**14. ADDITIONAL PROVISIONS:**

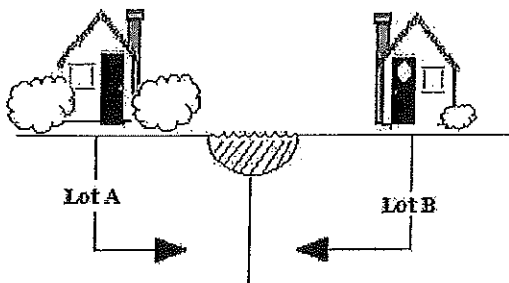
**WITNESS:**

_____	BUYER	_____	Date
_____	BUYER	_____	Date
_____	BUYER	_____	Date
_____	BUYER	_____	Date
_____	SELLER	_____	Date
_____	SELLER	_____	Date
_____	SELLER	_____	Date
_____	SELLER	_____	Date

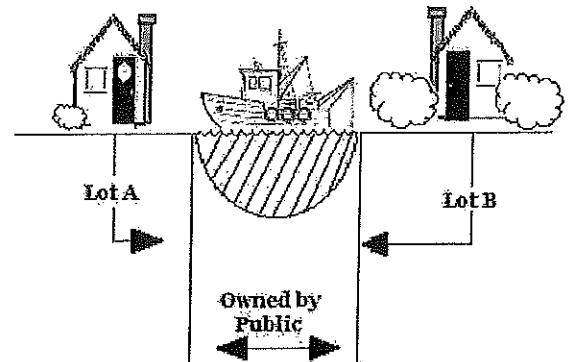
# Property Ownership and Water Rights

## Riparian Rights

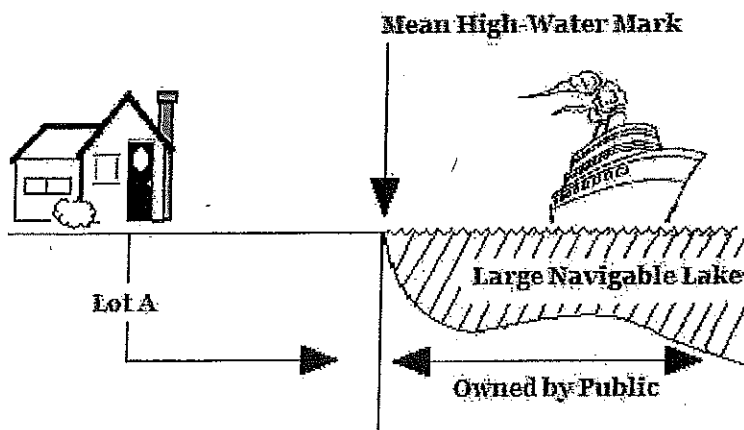
Non-Navigable Stream



Navigable River

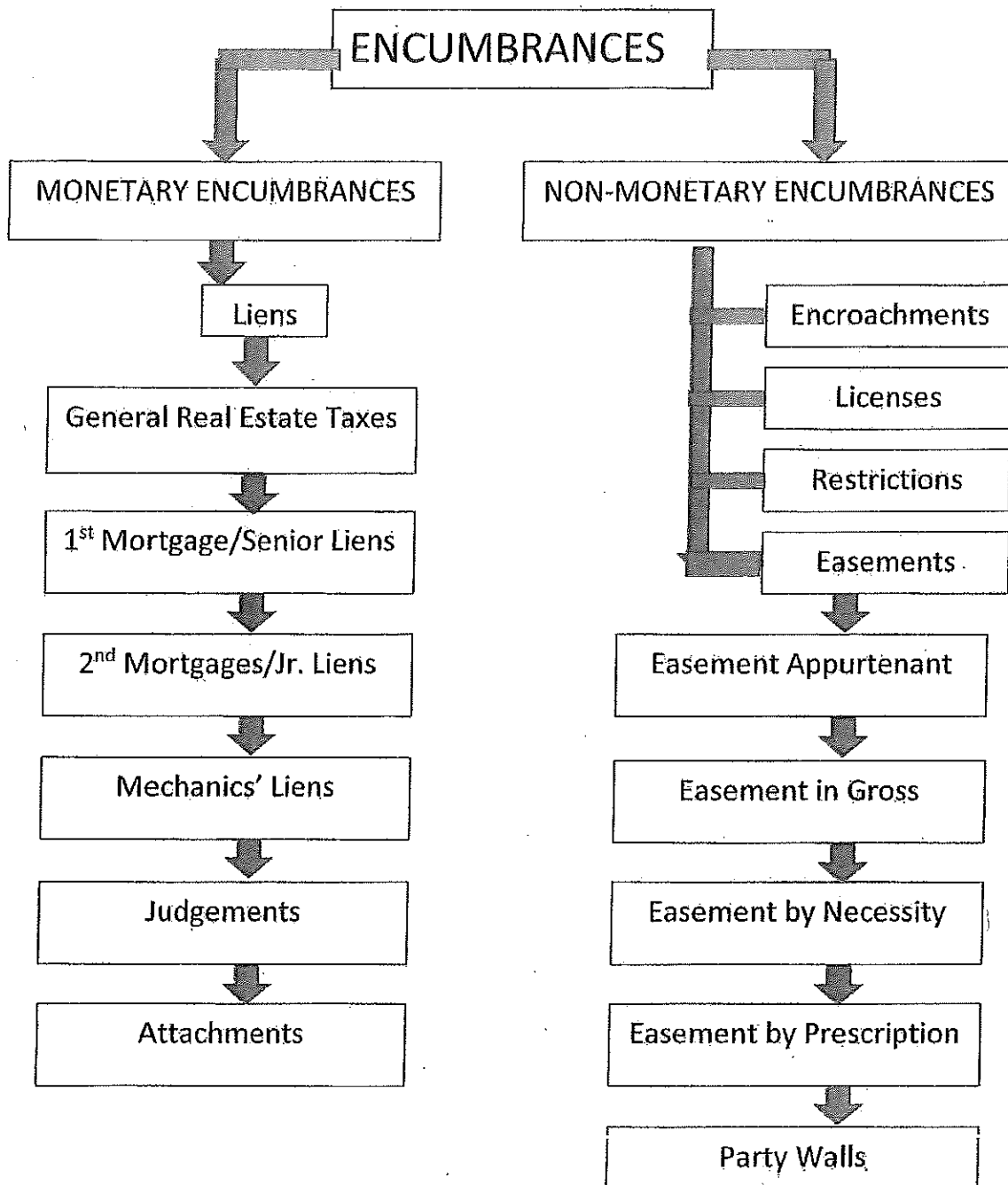


## Littoral Rights



## Doctrine of Prior Appropriation

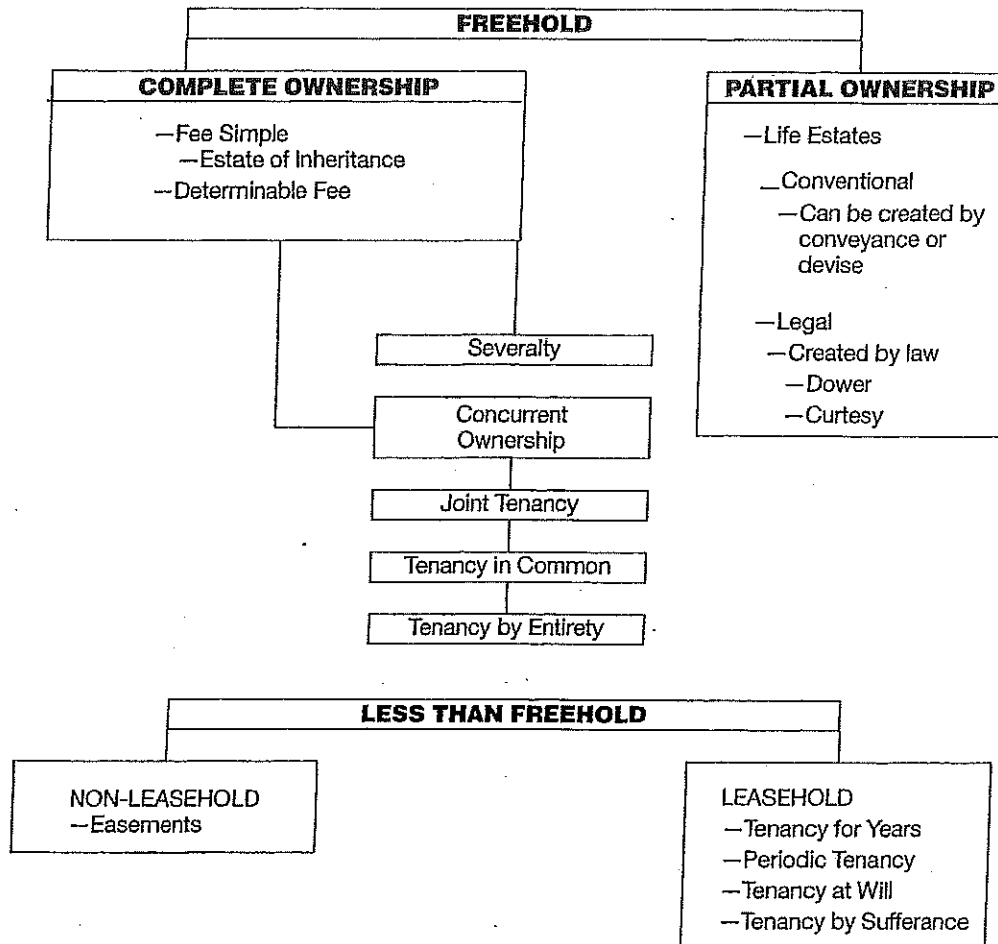
In states where water is scarce, where the state controls the water, the ownership and use of the water are often determined by the doctrine of prior appropriation. Under this doctrine, the right to use any water, with the exception of limited domestic use, is controlled by the state rather than by the adjacent landowner. Ownership of the land bordering bodies of water in state recognizing this doctrine is generally determined in the same way as riparian and littoral ownership



**FIGURE 5.3****Types of Tenancy**

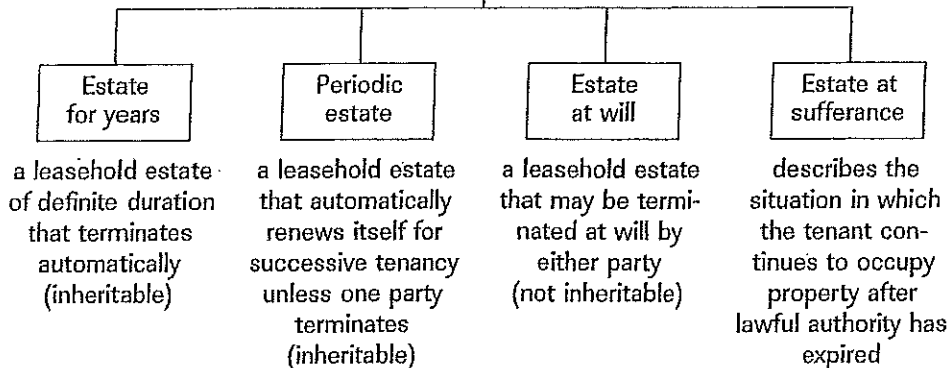
	<b>TENANCY IN SEVERALTY</b>	<b>TENANCY IN COMMON</b>	<b>JOINT TENANCY</b>	<b>TENANCY BY ENTIRETIES</b>
<b>DEFINITION</b>	Property held by one person, severed from all others	Property held by two or more persons, with no right of survivorship.	Property held by two or more (not corporation) with right of survivorship.	Property held by husband and wife with right of survivorship.
<b>CREATION</b>	Any transfer to one person.	By express act; also by failure to express the tenancy.	Express intention plus four unities of time, title, interest and possession (with statutory exceptions).	Created by deed to husband and wife, without reference to survivorship rights. Divorce automatically results in tenancy in common.
<b>POSSESSION</b>	Total.	Equal right of possession.	Equal right of possession.	Equal right of possession.
<b>TITLE</b>	One title in one person.	Equal co-owner has a separate legal title to his undivided interest; will be equal interests unless expressly made unequal.	One title to the whole property since each tenant is theoretically deemed owner of whole; must be equal undivided interests.	One title in the marital unit.
<b>CONVEYANCE</b>	No restrictions (check release of marital rights, if any).	Each co-owner's interest may be conveyed separately by its owner; purchaser becomes tenant in common.	Conveyance of one co-owners's interest breaks his tenancy; purchaser becomes tenant in common.	Cannot convey without consent of spouse.
<b>EFFECT OF DEATH</b>	Entire property subject to probate and included in gross estate for federal and state death taxes.	Decedant's fractional interest subject to probate and included in gross estate for federal and state death taxes. The property passes by will to devisees or heirs; who take as tenants in common. No survivorship rights.	No probate and can't be disposed of by will; property automatically belongs to surviving co-tenants (last one holds in severalty). Entire property included in decedant's gross estate for federal estate tax purposes, minus percent attributable to survivor's contribution.	Right of survivorship so no probate. Same death taxes as joint tenancy.
<b>CREDITOR'S RIGHTS</b>	Subject to creditor claims.	Co-owner's fractional interest may be sold to satisfy his creditor, who becomes tenant in common.	Joint tenant's interest also subject to execution sale, joint tenancy is broken and creditor becomes tenant in common. Creditor gets nothing if debtor tenant dies before sale.	Only a creditor of both spouses can execute on property.
<b>PRESUMPTION</b>	None.	Favored in doubtful cases; presumed to be equal interests.	Not favored, so must be expressly stated.	Automatically created when names of both spouses appear on the deed.

# Interests in Real Property



## LEASEHOLD (NONFREEHOLD) ESTATES

an interest in real estate that is of limited duration and provides the right of possession and control but not title



# QUICK REFERENCE OUTLINE

## Brokerage

### Agent's Duties - COALD

1. Care
2. Obedience
3. Account
4. Loyalty
5. Disclosure

### To Earn a Commission

1. Licensed
2. Hired (listing agreement)
3. Procuring cause

### Classifying Contracts

Express or Implied  
Unilateral or bilateral  
Executed or executory  
Valid, void, or voidable, unenforceable

### Required Elements of a Contract

Legally competent parties  
Offer and acceptance  
Reality of consent  
Legally sufficient consideration  
Legal objective

### Remedies for Breach of Contract

Rescind the contract  
Suit for specific performance  
Suit for damages

### Types of Listings

Open listing  
Exclusive agency  
Exclusive right to sell  
Multiple listing  
Net listing

### Unethical Practices

Blockbusting  
Steering  
Redlining

### Fair Housing Laws

Civil Rights Act of 1866  
Fair Housing Act of 1968  
Jones v. Mayer Company  
Americans with Disabilities Act

## Finance

### Financial Instruments

Mortgage  
Note  
Deed of trust

### Mortgage Clauses

Prepayment  
Acceleration  
Alienation  
Defeasance

### Secondary Mortgage Market

Fannie Mae  
Ginnie Mae  
Freddie Mac

### Types of Mortgage Foreclosure

*Judicial*  
Strict foreclosure  
Judicial sale  
*Nonjudicial*  
Power of sale  
Deed in lieu of foreclosure

### Government Activities

Reserve requirement  
Discount rate  
Open market operations

## Valuation

### Definition of Market Value

Most probable price  
Payment in cash  
Parties unrelated  
No duress or undue pressure  
Property on the market for reasonable period of time  
Parties well informed of market and property

### Elements of Value

Demand  
Utility  
Scarcity  
Transferability

### Approaches for Estimating Value

Sales comparison (market data)  
Cost  
Income  
Gross rent multiplier  
Gross income multiplier

## Special Topics

### Property Management Objectives

Preserve property value  
Generate income

### Tax Advantages of a Home

Deductions: taxes, interest, points  
Excluding the gain

### Capital Gain Exclusion Rules

1. Owned and occupied as principal residence two of last five years
2. Can be used no more than once every two years
3. \$250,000 maximum for single;  
\$500,000 maximum for married,  
filing jointly



## Real Estate By The Numbers

1. Number of business days you can hold a Trust Account Check: \_\_\_\_\_
2. Number of square feet in an acre: \_\_\_\_\_
3. Familial Status means children living in a household who are under \_\_\_\_\_ years of age
4. Dollar amount a first-time homebuyer can withdraw penalty-free from an IRA to use for the purchase of a home: \$ \_\_\_\_\_
5. Number of hours a Broker Candidate must attend class for, in order to qualify to take the Broker's Test: \_\_\_\_\_
6. New Jersey Real Estate License Act known as Title \_\_\_\_\_ Chapter \_\_\_\_\_.
7. Number of members on the Real Estate Commission \_\_\_\_\_
8. Cost per year to hold a Real Estate Salesperson License: \$ \_\_\_\_\_
9. A salesperson must be paid within \_\_\_\_\_ business days after the Broker is paid
10. Length of time a Listing Salesperson has to transmit all written offers to seller: \_\_\_\_\_
11. Any cash deposit of \$ \_\_\_\_\_ or more given to a Broker must be reported to IRS
12. Minimum age a person must be to qualify for a Real Estate License: \_\_\_\_\_
13. Cost to activate a new Real Estate Salesperson's License: \$ \_\_\_\_\_
14. Period of time Brokers must maintain files of closed transactions: \_\_\_\_\_
15. For the purposes of proration and testing all months have \_\_\_\_\_ days, and a year \_\_\_\_\_ days

16. If a building was constructed before \_\_\_\_\_, the Lead Paint Disclosure Form must be used
17. Adverse Possession in New Jersey must be for \_\_\_\_\_ years or more
18. If a Salesperson leaves a Broker, the Broker must give a written account to the Salesperson of all monies due within \_\_\_\_\_ of the Salesperson's departure
19. Under Truth-in-Lending Laws, for second mortgages and home equity loans, the buyer has a right of rescission period of \_\_\_\_\_ business days
20. Tenancy at Will may be terminated at any time by either party, upon \_\_\_\_\_ days notice
21. Period of time a Broker must maintain files of rejected offers and expired listings: \_\_\_\_\_
22. \_\_\_\_\_ feet in a mile
23. Right of redemption period a seller has to pay the tax lien and get his/her property back after a tax sale to a private party \_\_\_\_\_
24. Maximum fine for violating the Real Estate Full Disclosure Act: \$\_\_\_\_\_ per violation
25. If a Real Estate Licensee has been convicted of forgery within \_\_\_\_\_ years, the Real Estate Commission will not issue a license.
26. The Real Estate Commission may impose fines up to \$\_\_\_\_\_ for a first offense, and \$\_\_\_\_\_ for a subsequent offense.
27. Attorney Review is \_\_\_\_\_ business days, counted from the delivery of the contract to both attorneys.
28. The date that Dower and Curtesy rights were abolished: \_\_\_\_\_
29. The amount of notice the Real Estate Commission must give when checking a Broker's files: \_\_\_\_\_
30. A Real Estate Licensee has \_\_\_\_\_ after successfully completing the School Course to take the State Test and activate the license.
31. The fine for a first time violation of the Federal Fair Housing Act could be as much as \$\_\_\_\_\_.
32. Capital gains exclusions of \$\_\_\_\_\_ for single persons and \$\_\_\_\_\_ for married couples are allowed every \_\_\_\_\_ years, provided the home was used as a primary residence for \_\_\_\_\_ out of the last \_\_\_\_\_ years.

33. Length of time a qualified Salesperson has to notify the Real Estate Commission of the Death of his/her Broker, and apply for a Temporary Broker's license: \_\_\_\_\_
34. After the death of a Broker, the length of time a qualified Salesperson has to take the Broker's course and pass the state test to and activate the license: \_\_\_\_\_
35. Right of rescission with the Real Estate Sales Full Disclosure Act: \_\_\_\_\_ calendar days.
36. Right of rescission with the Planned Real Estate Development Act: \_\_\_\_\_ business days.
37. A tenant with a one-year lease needs to give \_\_\_\_\_ notice if he/she intends to vacate the premises as of that date.
38. Seniors over 65, disabled persons and war veterans with combat related disability get a property tax reduction of \$\_\_\_\_\_ per year.
39. The Civil Rights Act was passed in \_\_\_\_\_.
40. A tenant with a month-to-month lease must give \_\_\_\_\_ notice if he/she intends to vacate the premises.
41. The maximum amount the Guaranty Fund can pay an aggrieved person, per offense: \$\_\_\_\_\_.
42. The Federal Fair Housing Act was passed in \_\_\_\_\_.
43. The Cost of a Real Estate Broker license per year is: \$\_\_\_\_\_.
44. The date all Real Estate Licenses expire: \_\_\_\_\_ in every odd year.
45. Number of classroom hours a Salesperson must complete, in order to take the State Exam: \_\_\_\_\_.
46. A Township is \_\_\_\_\_ miles by \_\_\_\_\_ miles.
47. A Section is \_\_\_\_\_ mile(s) by \_\_\_\_\_ mile(s).
48. How many acres in a section \_\_\_\_\_; in a half section \_\_\_\_\_; and a quarter section \_\_\_\_\_.
49. If you feel that you have had your Civil Rights violated or discriminated against, how long do you have to file a Federal Suit? \_\_\_\_\_
50. In New Jersey you have \_\_\_\_\_ to file a discrimination claim.