

SCOPE PROJECT RESIDENTIAL CONTRACT OF SALE

This is a Legally Binding Contract; If Not Understood, Seek Competent Legal Advice.

THIS FORM IS DESIGNED AND INTENDED FOR THE SALE AND PURCHASE OF IMPROVED SINGLE FAMILY RESIDENTIAL REAL ESTATE LOCATED IN MARYLAND ONLY. FOR OTHER TYPES OF PROPERTY INCLUDE APPROPRIATE ADDENDA.

BROKER: _____ BRANCH OFFICE: _____
OFFICE PHONE: _____ FAX: _____ BROKER/AGENT ID: _____
SALES ASSOCIATE: _____ E-Mail: _____ PHONE: _____
ACTING AS: SELLING BROKER (WHETHER "COOPERATING AGENT" OR "SELLING AGENT"); OR
 BUYER AGENT; OR
 INTRA - COMPANY AGENT WITH BROKER AS DUAL AGENT

IN COOPERATION WITH

BROKER: _____ BRANCH OFFICE: _____
OFFICE PHONE: _____ FAX: _____ BROKER/AGENT ID: _____
SALES ASSOCIATE: _____ E-Mail: _____ PHONE: _____
ACTING AS: LISTING BROKER AND SELLER AGENT; OR
 INTRA - COMPANY AGENT WITH BROKER AS DUAL AGENT

TIME IS OF THE ESSENCE. Time is of the essence of this contract. The failure of Seller or Buyer to perform any act as provided in this Contract by prescribed date or within a prescribed time period shall be a default under this Contract and the non defaulting party, upon written notice to the defaulting party, may declare this Contract null and void and of no further legal force and effect. In such event, all Deposit(s) shall be disbursed in accordance with paragraph 17 of this Contract.

1. DATE OF OFFER: _____

2. SELLER: NAME: MAYOR AND CITY COUNCIL OF BALTIMORE
ADDRESS: Room 304, City Hall, Baltimore, Maryland ZIP: 21202

3. BUYER: NAME: _____
ADDRESS: _____ ZIP: _____

4. PROPERTY DESCRIPTION: Seller does sell to Buyer and Buyer does purchase from Seller, all of the following described Properties located in Baltimore City together with the improvements thereon, and all rights and appurtenances thereto belonging (hereinafter "Property") known as:

Property Address: _____ Purchase Price: _____
Property Address: _____ Purchase Price: _____
Property Address: _____ Purchase Price: _____

Total Number of Properties: _____ Sum Total of Purchase Prices: _____

If the Seller is offering the properties for sale as a "bundle," list the bundled property addresses and the total purchase price below.

5. ESTATE: The Seller makes no representation as to the property interest conveyed to the Buyer. The Buyer is to verify whether property is conveyed in Fee Simple or Leasehold interest. If the Property is subject to ground rent and the ground rent is not timely paid, the owner of the reversionary interest (i.e., the person to whom the ground rent is payable) may bring an action of ejectment against the leasehold owner pursuant to Section 8-402.2 of the Real Property Article, Annotated Code of Maryland (as amended). As a result of this action, the owner of the reversionary interest may obtain title to the Property in fee, discharged from the lease.

6. SETTLEMENT: Date of Settlement shall be ninety (90) days from the date of final acceptance of this contract or sooner if agreed to in writing by both parties.

7. FINANCING: Buyer's obligation to purchase the Property is contingent upon Buyer obtaining a written commitment for a loan secured by the Property as follows:

(MARK ONE) Conventional Rehab Loan FHA 203K Loan No Financing Contingency (Cash Purchase Addendum Attached)

8. FINANCING APPLICATION AND COMMITMENT: Buyer agrees to make a written application for the financing within TEN (10) days from the Date of Final Acceptance of this Contract. If such written financing commitment is not obtained by Buyer by Date of settlement (1) Seller, at Seller's election and upon written notice to Buyer, may declare this contract null and void and of no further legal effect; or (2) Buyer, upon written notice to Seller, which shall include evidence from the lender of Buyer's inability to obtain financing as provided in paragraph 7 of this Contract, may declare this contract null and void and of no further legal effect. In either case, the deposit shall be disbursed in accordance with the Deposit Paragraph of this Contract. If Buyer has complied with all of the Buyer's obligations under this Contract, including those with respect to applying for financing and seeking to obtain financing, then the Release of Deposit agreement shall provide that the deposit shall be returned to the Buyer.

9. SETTLEMENT COSTS: NOTICE TO BUYER: BUYER HAS THE RIGHT TO SELECT BUYER'S OWN TITLE INSURANCE COMPANY, TITLE LAWYER, SETTLEMENT COMPANY, ESCROW COMPANY, MORTGAGE LENDER, OR FINANCIAL INSTITUTION AS DEFINED IN THE FINANCIAL INSTITUTIONS ARTICLE, ANNOTATED CODE OF MARYLAND. BUYER ACKNOWLEDGES THAT SELLER MAY NOT BE PROHIBITED FROM OFFERING OWNER FINANCING AS A CONDITION OF SETTLEMENT. Buyer agrees to pay all other settlement costs and charges including, but not limited to, all Lender's fees in connection herewith, including title examination and title insurance fees, all document preparation and recording fees, notary fees, survey fees where required, and all recording charges, except those incident to clearing existing encumbrances or title defects.

10. TRANSFER CHARGES: The costs of state and local transfer and recordation taxes shall be paid by Buyer.

The parties acknowledge pages 1 through 5 of this Contract of Sale.

Buyer _____ Buyer _____ Seller _____ Seller _____

11. ADJUSTMENTS: Ground rent and water rent shall be adjusted and apportioned as of date of settlement; and all taxes, general or special, and all other public or governmental charges or assessments against the Property which are or may be payable on a periodic basis, or other benefit charges, assessments, liens or encumbrances for sewer, water, drainage, paving, or other public improvements completed or commenced on or prior to the date hereof, or subsequent thereto, are to be adjusted and apportioned as of the date of settlement and are to be assumed and paid thereafter by Buyer, whether assessments have been levied or not as of date of settlement if applicable by local law. Any heating or cooking fuels remaining in supply tank(s) at time of settlement shall become the property of Buyer. If there is not a tax bill issued for this property, the City shall submit to the Purchaser and Purchaser shall at settlement pay a tax equivalency charge calculated on the basis of a tax assessment being equal to the purchase price, multiplied by the applicable City and State real property tax rates, prorated for the remainder of the tax year in which settlement is made.

12. CONDITION OF PROPERTY AND POSSESSION: At settlement, Seller shall deliver possession of the Property in substantially the same condition as existed on the date of Contract Acceptance. **THE PROPERTY IS SOLD "AS IS"**.

13. BUYER'S RESPONSIBILITY: All violation notices or requirements noted or issued by any governmental authority, or actions in any court on account thereof, against or affecting the Property at the date of settlement of this Contract, shall be complied with by Buyer.

14. DEFAULT: Buyer and Seller are required and agree to make full settlement in accordance with the terms of this Contract and acknowledge that failure to do so constitutes a breach hereof. If Buyer fails to make full settlement or is in default due to Buyer's failure to comply with the terms, covenants and conditions of this Contract, the deposit may be retained by Seller. If Seller fails to make full settlement or is in default due to Seller's failure to comply with the terms, covenants and conditions of this Contract, Buyer shall be entitled to pursue such rights and remedies as may be available, at law or in equity, including, without limitation, an action for specific performance of this Contract and/or monetary damages.

15. PAYMENT TERMS: The payment of the "Sum Total of Purchase Prices" shall be made by Buyer as follows:

(a) An initial deposit by way of _____ in the amount of _____ Dollars (\$ _____) at the time of this offer.

(b) An additional deposit by way of _____ in the amount of _____ Dollars (\$ _____) to be paid within _____ (_____) days from the date of Contract Acceptance.

(c) The purchase price less any and all deposits shall be paid in full by Buyer in cash, wired funds, bank check, certified check or other payment acceptable to the settlement officer at settlement.

(d) All deposits will be held in escrow by Selling Broker: _____

16. DISCLOSURE AND CERTIFICATION AND FINANCIAL INFORMATION: Buyer is responsible for completing the attached "Disclosure and Certification" form, and a Financial Information Sheet, which will be utilized by Seller in qualifying the Buyer.

17. DEPOSIT: Buyer hereby authorizes and directs Broker as specified in Paragraph 15 of this Contract to hold the initial deposit instrument without negotiation or deposit until the parties have executed and accepted this Contract. Upon acceptance, the initial deposit and additional deposit, if any, shall be placed in escrow as provided below and in accordance with the requirements of Section 17-502(b) (1), Business Occupations and Professions Article, Annotated Code of Maryland. If Seller does not execute and accept this Contract, the initial deposit instrument shall be promptly returned to Buyer. Buyer and Seller instruct Broker to place all deposit monies in a non-interest bearing account. The deposit shall be disbursed by Broker at settlement. In the event this Contract shall be terminated or settlement does not occur, Buyer and Seller agree that the deposit shall be disbursed by Broker only in accordance with a release of deposit agreement executed by Buyer and Seller. In the event Buyer and/or Seller fail to complete the real estate transaction in accordance with the terms and conditions of this Contract, and either Buyer or Seller shall be unable or unwilling to execute a release of deposit agreement, Buyer and Seller hereby acknowledge and agree that Broker may distribute the deposit in accordance with the provisions of Section 17-505(b)(1), Business Occupations and Professions Articles, Annotated Code of Maryland.

18. BROKER'S FEE: All parties irrevocably instruct the settlement agent to collect the fee or compensation and disburse same according to the terms and conditions provided in the listing agreement and/or agency representation agreement.

19. BROKER LIABILITY: Brokers, their agents, subagents and employees do not assume any responsibility for the condition of the Property or for the performance of this Contract by any or all parties hereto. By signing this Contract, Buyer and Seller acknowledge that they have not relied on any representations made by Brokers, or any agents, subagents or employees of Brokers, except those representations expressly set forth in this Contract.

20. NON-ASSIGNABILITY: This Contract may not be assigned without the written consent of Buyer and Seller. If Buyer and Seller agree in writing to an assignment of this Contract, the original parties to this Contract remain obligated hereunder until settlement.

21. LEASES: Seller may neither negotiate new leases nor renew existing leases for the Property which extend beyond settlement or possession date without Buyer's written consent.

22. PROPERTY INSURANCE AND RISK OF LOSS: The Property is to be held at the risk of Seller until legal title has passed or possession has been given to Buyer. If, prior to the time legal title has passed or possession has been given to Buyer, whichever shall occur first, all or a substantial part of the Property is destroyed or damaged, without fault of Buyer, then this Contract, at the option of Buyer, upon written notice to Seller, shall be null and void and of no further effect, and all deposits hereunder shall be returned to Buyer in accordance with the terms of this Contract.

BUYER

BUYER

SELLER

SELLER

23. NOTICE TO THE PARTIES: BROKERS, THEIR AGENTS, SUBAGENTS AND EMPLOYEES, MAKE NO REPRESENTATIONS WITH RESPECT TO THE FOLLOWING:

- A. Water quality, color, or taste or operating conditions of private water systems.
- B. Location, size or operating condition of on-site sewage disposal systems.
- C. The extensions of public utilities by local municipal authorities, existence or availability of public utilities, and any assessments, fees or costs for public utilities which might be imposed by local municipal authorities, should public utilities be extended or available to the subject Property. (Buyer should consult the Department of Public Works to determine the availability of proposed future extensions of utilities.)
- D. Lot size and exact location: If the subject Property is part of a recorded subdivision, Buyer can review the plat upon request at the Record Office. If the subject Property is not part of a recorded subdivision, Buyer may verify exact size and location through a survey by a registered engineer or land surveyor, at Buyer's expense.
- E. Existing zoning or permitted uses of the Property: Buyer should contact the Zoning Office and/or a licensed engineer to verify zoning and permitted uses.
- F. Brokers/agents are not advising the parties as to certain other issues, including without limitation: soil conditions; flood hazard areas; possible restrictions of the use of property due to restrictive covenants, subdivision, environmental laws, easements or other documents; airport or aircraft noise; planned land use, roads or highways; and construction materials and/or hazardous materials, including without limitation flame retardant treated plywood (FRT), radon, molds, urea formaldehyde foam insulation (UFFI), synthetic stucco (EIFS), asbestos, polybutelene piping and lead based paint. Information relating to these issues may be available from appropriate governmental authorities. This disclosure is not intended to provide an inspection contingency.
- G. Buyer and Seller each assume full responsibility for selecting and compensating their respective vendors.

24. SINGLE FAMILY RESIDENTIAL REAL PROPERTY DISCLOSURE NOTICE: BUYER IS ADVISED OF THE RIGHT TO RECEIVE A "DISCLOSURE AND DISCLAIMER STATEMENT" FROM SELLER (SECTION 10-702 REAL PROPERTY ARTICLE, ANNOTATED CODE OF MARYLAND).

25. DEED AND TITLE: Upon payment of the purchase price, a deed for the Property containing covenants of special warranty and further assurances, shall be executed by Seller and shall convey the Property to Buyer. If the Seller acquired the Property by tax sale, the Deed of Conveyance will be by right, title and interest deed only. Title to the Property, including all chattels included in the purchase, shall be good and merchantable, free of liens and encumbrances except as specified herein; except for use and occupancy restrictions of public record which are generally applicable to properties in the immediate neighborhood or the subdivision in which the Property is located and publicly recorded easements for public utilities and any other easements which may be observed by an inspection of the Property. Buyer expressly assumes the risk that restrictive covenants, zoning laws or other recorded documents may restrict or prohibit the use of the Property for the purpose(s) intended by Buyer. In the event Seller is unable to give good and merchantable title or such as can be insured by a Maryland licensed title insurer, with Buyer paying not more than the standard rate as filed with the Maryland Insurance Commissioner, Seller, at Seller's expense, shall have the option of curing any defect so as to enable Seller to give good and merchantable title or, if Buyer is willing to accept title without said defect being cured, paying any special premium on behalf of Buyer to obtain title insurance on the Property to the benefit of Buyer. In the event Seller elects to cure any defects in title, this Contract shall continue to remain in full force and effect; and the date of settlement shall be extended for a period not to exceed fourteen (14) additional days. If Seller is unable to cure such title defect(s) and is unable to obtain a policy of title insurance on the Property to the benefit of Buyer from a Maryland licensed title insurer, Buyer shall have the option of taking such title as Seller can give, or terminating this Contract. In the latter event, there shall be no further liability or obligation on either of the parties hereto; and this Contract shall become null and void; and all deposits hereunder shall be returned to Buyer in accordance with the terms of this Contract. In no event shall Broker(s) or their agent(s) have any liability for any defect in Seller's title.

26. WETLANDS NOTICE: Buyer is advised that if all or a portion of the Property being purchased is wetlands, the approval of the U.S. Army Corps of Engineers will be necessary before a building permit can be issued for the Property. Additionally, the future use of existing dwellings may be restricted due to wetlands. The Corps has adopted a broad definition of wetlands which encompasses a large portion of the Chesapeake Bay Region. Other portions of the State may also be considered wetlands. For information as to whether the Property includes wetlands, Buyer may contact the Baltimore District of the U.S. Army Corps of Engineers. Buyer may also elect, at Buyer's expense, to engage the services of a qualified specialist to inspect the Property for the presence of wetlands prior to submitting a written offer to purchase the Property; or Buyer may include in Buyer's written offer a clause making Buyer's purchase of the Property contingent upon a satisfactory wetlands inspection.

27. NOTICE TO BUYER CONCERNING THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA: Buyer is advised that all or a portion of the property may be located in the "Critical Area" of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resources protection regulations apply in this area. The "Critical Area" generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of the state or private wetlands, the Chesapeake Bay, Atlantic Coastal Bays, and all of their tidal tributaries. The "Critical Are" also includes the waters of the lands under the Chesapeake Bay, the Atlantic Coastal Bays and all their tributaries to the head of the tide. For information as to whether the property is located within the Critical Area, Buyer may contact the local Department of Planning and Zoning, which maintains maps showing the extent of the Critical Area in the jurisdiction.

28. CRIMINAL ACTIVITY AND SEXUAL OFFENDERS. Buyers may contact the state, county or municipal police departments in which the Property is located or check the "Sex Offender Registry" at the Maryland Department of Public Safety and Correctional Services website in order to ascertain criminal activity in the vicinity of the Property or the presence of registered sex offenders who live or work within the vicinity of the Property. Buyer acknowledges that Buyer is solely responsible to inquire of such matters before signing this Contract. Buyer shall have no right to cancel this Contract based on criminal activity or the presence of registered sexual offenders in the vicinity of the Property. Buyer further acknowledges that no real estate licensee involved in the sale or purchase of the Property, whether acting as agent for the Seller or Buyer, has any duty or assumes any duty or responsibility to ascertain any criminal activity or the presence of registered sexual offenders in the vicinity of the Property.

BUYER BUYER SELLER SELLER

29. HOMEOWNER'S ASSOCIATION: The Property is not part of a development subject to the imposition of mandatory fees as defined by the Maryland Homeowner's Association Act, unless acknowledged by attached addendum.

30. GUARANTY FUND: NOTICE TO BUYER: BUYER IS PROTECTED BY THE REAL ESTATE GUARANTY FUND OF THE MARYLAND REAL ESTATE COMMISSION FOR LOSSES COVERED BY SECTION 17-404 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE OF THE MARYLAND CODE, IN AN AMOUNT NOT EXCEEDING \$25,000 FOR ANY CLAIM.

31. LEAD-BASED PAINT HAZARDS: Title X, Section 1018, the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the Act), requires the disclosure of certain information regarding lead-based paint and lead-based paint hazards in connection with the sale of residential real property. Unless otherwise exempt, the Act applies only to housing constructed prior to 1978. A Seller of pre-1978 housing is required to disclose to Buyer, based upon Seller's actual knowledge, all known lead-based paint hazards in the Property and provide Buyer with any available reports in the Seller's possession relating to lead-based paint or lead-based paint hazards applicable to the Property. Seller, however, is not required to conduct or pay for any lead-based paint risk assessment or inspection. At the time that the offer to purchase is entered into by Buyer, Seller is required to provide Buyer with the EPA pamphlet entitled "Protect Your Family From Lead In Your Home" and a "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards" form. **Seller is required under the Act to provide Buyer with a ten (10) day time period (or other mutually agreeable time period) for Buyer, at Buyer's expense, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards unless Buyer waives such assessment or inspection by indicating such waiver on the Lead-Based Paint Disclosure form. Notwithstanding the right of the Buyer under the Act to conduct a risk assessment inspection for presence of lead-based paint and/or lead-based paint hazards, Seller is not required by the Act to permit Buyer, and Buyer shall have no right, to rescind this Contract based upon the results of such inspection, even if the inspection reveals the presence of lead-based paint and/or lead-based paint hazards within the Property, unless otherwise provided in a written addendum to this Contract. (If applicable, see Lead-Based Paint Hazard Inspection Addendum.) Seller and any agent involved in the transaction are required to retain a copy of the completed Lead-Based Paint Disclosure form for a period of three (3) years following the date of settlement. A SELLER WHO FAILS TO GIVE THE REQUIRED LEAD-BASED PAINT DISCLOSURE FORM AND EPA PAMPHLET MAY BE LIABLE UNDER THE ACT FOR THREE TIMES THE AMOUNT OF DAMAGES AND MAY BE SUBJECT TO BOTH CIVIL AND CRIMINAL PENALTIES.** Seller represents and warrants to Buyer, Broker(s), Broker(s)' agents and subagents, intending that they rely upon such warranty and representation, that the property: (Seller to initial applicable line): _____ was constructed prior to 1978 OR _____ was not constructed prior to 1978 OR _____ the date of construction is uncertain. If the Property was constructed prior to 1978 or if the date of construction is uncertain, as indicated by Seller's initial above, Buyer and Seller mutually agree that the requirements of the Act shall apply to the sale of the Property. Buyer and Seller acknowledge that the real estate brokers and salespersons involved in the sale of the Property have no duty to ascertain or verify the date of construction and assume no such duty or responsibility. Buyer and Seller agree, represent and warrant, each unto the other, that no binding and enforceable contract shall be deemed to exist or to have been formed unless the requirements of the Act have been complied with prior to the execution of this Contract by Buyer and Seller. Buyer and Seller represent and warrant that each intended, as a material term of the offer and acceptance, that the requirements of the Act be complied with as an express condition of the formation of a binding and enforceable contract by and between the parties. Buyer and Seller acknowledge by their respective initials below that they have read and understand the provisions of this Paragraph 27.

BUYER

BUYER

SELLER

SELLER

32. RIGHT OF INSPECTION: Prior to settlement Buyer shall upon notice to the Seller, be permitted to enter the Property to obtain information necessary to prepare architectural plans and cost estimates for either new construction or rehabilitation of existing improvements. No construction will be commenced on the Property without the prior written consent of the Seller. Buyers acknowledge that the Property has been vacant and boarded and may contain hazardous conditions. Buyer hereby agree to hold Seller harmless from any and all liability for claims or damages arising out of or in connection with the use of the Property by the Buyer, its contractors, agents or employees.

33. RIGHT OF TERMINATION: Right of Termination: Buyer shall have the right to terminate this contract upon written notice to the Seller, which notice must be received by or be delivered to the Seller within 45 days of the date hereof, should an inspection of the Property reveal a structural condition to the property, the presence of termites or other wood boring insects, radon gas, or any other condition that is unsatisfactory to the Buyer. The notice must contain an explanation of the condition and reason for the Buyer's termination. Additionally, if Buyer has applied for financing within 10 days of the date of final acceptance of this contract, has diligently pursued such financing and has failed to receive a loan commitment letter by the Date of Settlement, Buyer shall have the right to terminate this contract. Such termination must be in writing and include a letter of denial from the financing institution or lender that the applied for financing has been denied or is not otherwise available. Should the Buyer terminate the Contract pursuant to this section, the Broker will promptly return to Buyer all funds received by it pursuant to paragraph 15 of this Contract.

34. ADDENDA: The Addenda marked below, which are hereby attached, are made a part of this Contract: (Applicable boxes must check boxes

- SCOPE Disclosure and Certification
- SCOPE FHA Financing Addendum
- SCOPE Cash Purchase Addendum

- Property Condition and Inspection Policy Addendum
- Financial Information Addendum
- Earnest Money Policy Addendum

- Lead Paint Addendum
- Homeownership and/or Rehab Addendum
- Right of Entry Agreement
- MD Residential Disclosure Disclaimer Statement

- Other (List) _____
- Other (List) _____

BUYER

BUYER

SELLER

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