

RE/MAX REALTY GROUP, Rehoboth Beach

PAT CAMPBELL-WHITE, ABR, CRB, CRS, GRI, SRES

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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
RESIDENTIAL REAL ESTATE LOCATED IN THE STATE OF DELAWARE

1. **SELLER(S):** _____ **SS#** _____

Address : _____

Telephone No. Residence _____ Office _____ Fax _____

2. **BUYER(S):** _____ **SS#** _____

Address: _____

Telephone No. Residence _____ Office _____ Fax _____

3. **DESCRIPTION:** Buyer(s) hereby agree(s) to purchase from Seller(s) and Seller(s) agree(s) to convey to Buyer(s) that property located in TAX DISTRICT _____ MAP _____; known as PARCEL _____ UNIT _____ and identified as _____

4. **INCLUSIONS/EXCLUSIONS:** The purchase price shall also include the following, as and if now installed, stored in, or located on the premises: all presently existing heating, electrical and central air conditioning systems; and all other permanent or attached fixtures including but not limited to, curtain/drapery rods, screens, shutters, awnings, wall to wall carpeting, mirrors fixed in place, attic/exhaust fans, built in security and fire detecting equipment, lighting and plumbing fixtures, and landscaping. Certain other now existing items that may be considered personal property, whether installed or stored upon the property, are included or excluded, as follows **(if neither column is checked, item shall be considered excluded):**

YES	NO		YES	NO		YES	NO	
___	___	Stove or Range	___	___	Clothes Washer	___	___	Intercom
___	___	Cooktop	___	___	Clothes Dryer	___	___	Storage Sheds/Outbuildings
___	___	Wall Oven(s) # _____	___	___	Pool Equip.	___	___	# _____
___	___	Refrigerator(s) # _____	___	___	Pool Cover	___	___	Garage Opener(s)# _____
___	___	with icemaker	___	___	Sump Pump	___	___	with remote(s) _____
___	___	Microwave	___	___	Hot Tub, Equipment	___	___	Playground Equipment
___	___	Trash Compactor	___	___	with cover	___	___	Wood Stove
___	___	Disposal	___	___	Furnace De-Humidifier	___	___	TV Antenna
___	___	Dishwasher	___	___	Furnace Humidifier	___	___	Satellite Dish
___	___	Freezer	___	___	Electronic Air Filter	___	___	with controls &
___	___	Window A/C Units # _____	___	___	Water Filter	___	___	Remote(s)
___	___	Window Fan(s)# _____	___	___	Water Softener (owned)	___	___	Fuel Storage Tank(s)
___	___	Ceiling Fan(s) # _____	___	___	Water Softener (leased)	___	___	(owned)
___	___	Fireplace Screen/Doors	___	___	Draperies/Curtains	___	___	Fuel Storage Tank(s)
___	___	Central Vacuum	___	___	Drapery/Curtain Rods	___	___	(leased)
___	___	with attachments _____	___	___	Shades/Blinds	___	___	Storm Windows/Doors
						___	___	Screens
						___	___	Alarm Systems
						___	___	Other Items Included/Excluded
						___	___	

ADDITIONAL INCLUSIONS (Specify): _____

ADDITIONAL EXCLUSIONS (Specify): _____

COMMENTS: _____

All property sold by this contract is called the "property". No items shall be replaced or substituted without prior written approval of all parties.

All Seller Initials

All Buyer Initials

5. **PAYMENT TERMS:**

A. PURCHASE PRICE \$ _____

To be paid as follows:

B. DEPOSIT UPON SIGNING THIS CONTRACT \$ _____

In the form of x check Note cash Other

C. ADDL. DEPOSIT DUE WITHIN _____ DAYS OF ACCEPTANCE \$ _____

BALANCE OF PURCHASE PRICE (A minus B & C) \$ _____

(Loan Balance, if any, plus remaining cash at settlement)

All deposits will be held in escrow by: _____

6. **FINANCING:** This Contract is contingent upon Buyer(s) obtaining a written commitment for a loan as follows: (CHECK ALL THAT APPLY)

- No Financing Contingency
- FHA Financing
- VA Financing
- Assumption
- Owner Financing (Amortization Schedule Attached)
- Conventional Loan
- Other (See Paragraph 28 or Attached Financing Addendum)

TERMS OF FINANCING:

Loan Amount \$ _____

Term of Note _____ Years

Amortization _____ Years

Interest Rate _____ %

Loan Program _____

Seller Paid Points _____

Buyer Paid Points _____

7. **FINANCING APPLICATION AND COMMITMENT:** Buyer(s) agree(s) to make written application for the financing as herein described within _____(_____) days from the date of Contract acceptance, and agree to use their best efforts to obtain financing and promptly file any supplemental information or papers later requested by the lender. If a written commitment for financing as set out above can not be obtained by Buyer(s) on or before _____, either Buyer(s) or Seller(s) may declare this Contract of Sale null and void and of no further legal effect. If Buyer(s) has complied with all obligations under this Contract, including those with respect to applying for financing and seeking to obtain financing, then all parties agree that the deposit monies shall be returned to the Buyer(s) in accordance with the terms of paragraph #13 of this Contract. Buyer(s) will immediately deliver to all parties a copy of any financing approval or denial. If Buyer(s) claim the financing was denied, failure to produce a denial letter shall be a default by the Buyer(s).

8. **ALTERNATE FINANCING:** Buyer(s) may obtain a written commitment for financing in which the interest, terms of payment, amount of loan, or any one of these differs from the financing conditions herein set forth, and, if so, the preceding financing conditions of the Contract shall be deemed to have been fully satisfied. This alternate financing may not increase costs to Seller(s) or exceed the time allowed to secure the financing commitment as stated herein. Nothing in this paragraph shall relieve Buyer(s) of the obligation to apply for and diligently pursue the financing described in paragraph #'s 6 & 7 of this Contract.

9. **SETTLEMENT:** Final settlement shall be completed on the _____ day of _____, or before if mutually agreed upon, at which time possession shall be given. It is expressly understood and agreed if a longer time is necessary to secure a survey, or to prepare the necessary legal and financial settlement documents, the date of settlement shall be extended for a reasonable time to effect these conditions. The purchase price less any and all deposits shall be paid in full by Buyer(s) in cash, wired funds, bank check, cashiers check or by certified check at settlement.

10. **TRANSFER TAX & COSTS:** All transfer taxes shall be equally divided between Seller(s) and Buyer(s) unless otherwise agreed to in this Contract. Seller(s) shall pay for deed preparation. Buyer(s) shall pay all other settlement charges and lending costs including survey.

11. **DEFAULT/REMEDIES:** Should the Buyer(s) fail to make payments and/or settlement as specified above, or knowingly furnish false or incomplete information to Seller(s), Agent(s) or the lender concerning Buyer(s) legal or financial status, or fail to cooperate in the processing of the mortgage loan application, or violate or fail to perform any of the terms or conditions of the Contract, then Seller(s) shall have the right and option to declare this Contract null and void and to retain any deposit money as liquidated damages for such default by Buyer(s), or to exercise any legal or equitable right or remedy to which Seller(s) may be entitled and, in connection therewith, to apply any deposit money either on account of the purchase price or on account of damages, as Seller(s) may elect. Formal tender of deed and tender of purchase money are waived. In the event of default by Buyer(s), the Seller(s) shall allow the Agent one-half of the deposit, but not more than the brokerage fee as compensation for professional services.

All Seller Initials

All Buyer Initials

12. **INDEMNIFICATION:** In the event any dispute arises under this Contract between Seller(s) and Buyer(s)

resulting in Broker(s) or any Agents, or Subagents or employees of Broker(s) being a party to any litigation, Seller(s) or Buyer(s), whichever is unsuccessful, shall indemnify and hold Broker(s), Agents, Subagents or employees of Broker(s) harmless from any liability, loss, damage, cost, expense, and attorney fees, provided such litigation does not result in a judgment against Agents, Subagents or employees of Broker(s) for acting improperly under this Contract. Additionally, in the event a dispute arises under this Contract between Seller(s) and Buyer(s), whichever is unsuccessful, shall also be liable for the other parties' court costs and attorney's fees.

13. **DISBURSEMENT OF DEPOSITS:** The parties to this Contract agree that deposit monies held on account as specified in paragraph #5 of this contract shall only be disbursed under one of the following conditions:

- A. Upon final settlement hereunder; OR
- B. Until a release is signed by all parties to the transaction authorizing disposition of these funds; OR
- C. Upon the filing of an interpleader action in the proper court, thereby causing these funds to be deposited with the court; OR
- D. Until such time as one of the parties to the transaction files suit and the court orders the disbursement of these funds.

Buyer(s) and Seller(s) agree(s) that upon payment of deposit monies into court, neither Buyer(s) nor Seller(s) shall have any further right, claim, demand or action against Broker regarding the return or disposition of the deposit monies.

14. **PRORATIONS:** Taxes, special assessments, water, sewer, and other public charges, ground rent, condominium fees, rental monies, fuel, public utility charges and other fixed charges are to be prorated as of date of settlement unless otherwise designated herein. If the property is sold subject to a lease with a security deposit, Seller(s) shall turn over the security deposit to Buyer(s) at settlement.

15. **TITLE:** Title is to be good and marketable fee absolute conveyed by Deed of Special Warranty or Lease-hold Estate conveyed by assignment of the existing lease, as applicable, clear of any liens and encumbrances, except restrictions of record and existing easements. If title objections are raised, Seller(s) shall have thirty (30) days from the date Seller(s) are notified to cure the same, and the closing date shall be extended accordingly. If objections are not satisfied by the extended settlement date, this Contract shall terminate and all deposit monies shall be refunded to Buyer(s) and all legal, loan, survey, and inspection fees incurred by the Buyer(s) will be paid by the Seller(s), unless Buyer(s) elect to waive the unsatisfied objections and complete the purchase. Seller(s) may use the purchase price payable to Seller(s) at settlement to discharge liens and encumbrances of record in fixed and ascertainable amounts.

16. **NO REPRESENTATION:** Buyer(s) and Seller(s) understand(s) and acknowledge(s) that Broker(s) and any Agents, Subagents or employees of Broker(s) are not at any time authorized to make any representations about this Contract or the property other than those written in this Contract. Broker(s), Agents, Subagents and employees of Broker(s) 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(s) and Seller(s) acknowledge(s) they have not relied on any representations made by Broker(s) or any Agents, Subagents or employees of Broker(s), except those representations written in this Contract.

17. **CASUALTY LOSS:** The risk of loss or damage to the property by fire, windstorm or other casualty until settlement is assumed by the Seller(s). If any part of the property is damaged or destroyed by fire or other casualty loss, Seller(s) shall restore the same to its previous condition as soon as reasonably possible, but in any event by settlement date. If Seller(s) is/are unable to do so, Buyer(s) may terminate this contract and the deposit monies shall be refunded to Buyer (s).

18. **WOOD INFESTATION REPORT:** Buyer(s), at Buyer(s)'s expense, shall obtain a written report from a Delaware licensed pest control company stating that, based on a careful visual inspection of accessible areas, there is no evidence of active termite or other wood-destroying insect infestation in the residence, including garage, but not including fences or other outbuildings (unless within 3 feet of main dwelling and/or garage) and, if such infestation previously existed, it has been corrected, and any structural damage due to such infestation has been corrected. The provisions of this paragraph shall apply to the entirety of any outbuilding(s) located within three feet of the main dwelling and/or garage and shall apply to ten (10) linear feet of the nearest portion of any fence within three feet of the main dwelling and/or garage.

All Seller Initials

All Buyer Initials

If any such infestation is present, or if any evidence of structural damage caused by such present or prior infestation is discovered, Seller(s), at Seller(s)'s expense, shall have the option to treat such infestation and repair any structural damage caused by such present or prior infestation. Should Seller(s) elect not to correct, the Buyer(s) shall have the option of voiding this Contract and having their deposit refunded, or Buyer(s) may proceed to settlement at Buyer(s) own risk and there shall be no liability to the Seller(s) or Broker(s) concerning this infestation or any damage by same. Should the

Seller(s) elect not to correct, and the Buyer(s) not proceed to settlement due to the infestation or damage, the Seller(s) shall refund to the Buyer(s) all legal, loan, survey, and inspection fees incurred by the Buyer(s).

19. **PROPERTY CONDITION:** At time of final settlement or occupancy (whichever occurs first) Seller(s) shall leave the property free and clear of trash debris and broom clean. Unless otherwise agreed to herein, **the electrical, plumbing, septic system, heating, air conditioning, and any other electro-mechanical systems, appliances and equipment included in this Contract of Sale will be in operating condition at time of final settlement.** The Seller(s) will deliver the property in substantially the same physical condition as of the date of Contract. Buyer(s) shall have the privilege of inspecting the property within 48 hours prior to settlement or occupancy (whichever occurs first). Except as expressly contained herein, no other warranties or representations have been made by the Seller(s) or relied upon by the Buyer(s) and upon settlement all the Seller(s) obligation under this Contract shall expire. It is understood and agreed by the parties hereto the Broker(s) assume no responsibility for defects concerning the physical condition of the property described herein and all improvements thereon. Seller(s) warrants(s), to the best of their knowledge, the property does not violate any applicable housing code. Unless otherwise indicated herein, Buyer(s) represent(s):

1. A satisfactory inspection has been made of the property;
2. Buyer(s) agree to accept the property in its present condition, unless subject to a home inspection (in which event a Home Inspection Addendum is attached hereto), or unless otherwise provided herein; and
3. Buyer(s) waive any claim they may have against Seller(s) pursuant to any applicable housing code.

20. **SELLER(S)'S DISCLOSURE OF REAL PROPERTY CONDITION REPORT:** Buyer(s) hereby acknowledges they received a copy of the Seller's Disclosure of Real Property Condition Report before Buyer(s) entered into this Contract (as required by law). The Report must be signed by the Buyer(s) and Seller(s) and becomes a part of this Contract of Sale. Seller(s) shall disclose and repair any defect that occurred after the date of the Report but prior to final settlement, unless waived in writing by the Buyer(s). Seller(s) warrant(s) the property condition disclosure statement accurately reflects the known condition of the property as of the date of this Contract.

21. **DISCLOSURE OF LEAD BASE PAINT AND LEAD BASE PAINT HAZARDS.** Every purchaser of any interest in residential 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. If this residential dwelling was built prior to 1978 the Buyer(s) hereby acknowledge they received a copy of the disclosure of information on lead base paint and lead base paint hazards containing a lead warning statement, before entering into this contract (as required by law.) The disclosure must be signed by the Buyer(s) and Seller(s) and becomes a part of this Contract of Sale.

22. **AGENCY RELATIONSHIPS IN EFFECT UNDER THIS CONTRACT:** This provision shall constitute a written memorandum confirming the applicable agency relationships among the Broker(s) named below and the parties to this transaction. A broker has been named in each blank space unless no broker served in the identified capacity, in which case "N/A" has been written in the space provided.

(A) **SELLER AGENCY:** _____ Seller(s) Broker, is the exclusive Agent of the Seller(s) and _____, Cooperating broker, is the Subagent of the Seller(s). The Seller(s) Broker, any cooperating Broker, and any Salesperson working with either, are representing the Seller's interest and have fiduciary responsibilities to Seller(s), but are obligated to treat all parties with honesty. The Seller(s) Broker, any cooperating Broker, and any Salesperson working with either, without breaching the fiduciary responsibilities to the Seller(s), may, among other services, provide a potential Buyer with information about the attributes of properties and available financing, show properties, and assist in preparing an offer to purchase. The Seller(s) Broker, any cooperating Broker, and any Salesperson working with either, also have the duty to respond accurately and honestly to a potential Buyer's questions and disclose material facts about properties, submit promptly all offers to purchase and offer properties without unlawful discrimination.

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(B) **BUYER AGENCY:** _____ Buyer(s) Broker, is the exclusive Agent for the Buyer(s). The Buyer(s) Broker, and any Salesperson working for this Broker, is representing the Buyer's interest and has fiduciary responsibilities to the Buyer(s), but is obligated to treat all parties with honesty. The Buyer(s) Broker, and any Salesperson working for this Broker, without breaching the fiduciary responsibilities to the Buyer(s) may, among other services, provide a Seller with information about the transaction. The Buyer(s) Broker, and any salesperson working for this Broker, also has the duty to respond accurately and honestly to Seller's question and disclose material facts about the transaction, submit promptly all offers to purchase through proper procedures, and serve without unlawful discrimination.

(C) **DUAL AGENCY:** _____ Dual Agent Broker, is representing both Buyer(s), and

Seller(s) in this transaction and such Broker has been and is now the Agent of both Buyer(s) and Seller(s). The terms of this Dual Agency relationship have previously been agreed to by the Buyer(s) and Seller(s) in a Dual Agency Consent Agreement. A Broker who agrees to represent both a Buyer and Seller of real property in the same transaction creates a Dual Agency. Before creating a Dual Agency, the Broker or the Real Estate Licensee associated with and representing the Broker explained to both the Buyer(s) and the Seller(s) that the Broker is acting on behalf of both parties and the possible effects of dual representation, including that by consenting to the Dual Agency relationship the Buyer(s) and Seller(s) are giving up their right to undivided loyalty of the Broker. In a Dual Agency situation, the Broker will not be able to provide the full range of fiduciary duties to the Buyer(s) and Seller(s). A Dual Agency has been created with the knowledge and informed consent, in writing, of both the Buyer(s) and Seller(s). The obligations of a Broker and a real licensee acting as a Dual Agent have been more fully set forth in Dual Agency Consent Agreement. The Buyer(s) and Seller(s) have carefully considered the possible consequences of a dual relationship and agreed to such representation.

(D) The above confirmation of the applicable relationships does not relieve a Buyer or Seller from the responsibility to protect their own interest. This Contract of and Sale between Buyer(s) and Seller(s), including purchase price and all other terms, is a result of negotiations between Buyer(s) and Seller(s) acting in their own best interests and on their own behalf.

23. **BROKERAGE FEE:** Buyer(s) and Seller(s) agree(s) that the Agents were responsible for procuring this Contract, and **SELLER(S)** agree(s) to pay a brokerage fee for services rendered as specified in a separate agreement. If not previously paid, the party making settlement is hereby irrevocably authorized and directed to collect the brokerage fee in accordance with the Agreement and pay the same to the Broker as a convenience to the parties, and not as a limitation upon Buyer's or Seller's liability to pay the brokerage fee.

24. **FAIR HOUSING:** All Parties agree to comply with all Fair Housing and Civil Rights laws in the purchase and sale of the property and further agree specifically not to discriminate against any person because of RACE, NATIONAL ORIGIN, RELIGION, CREED, SEX, MARITAL STATUS, FAMILIAL STATUS, AGE, OR HANDICAP.

25. **FIRPTA:** Section 1445 of the United States Internal Revenue Code of 1986 provides that a Buyer of residential real property located in the United States must withhold federal income taxes from the payment of the purchase price if (a) the purchase price exceeds three hundred thousand dollars (\$300,000.00); and (b) the Seller is a foreign person. Unless otherwise stated in an addendum attached hereto, if the purchase price is in excess of three hundred thousand dollars (\$300,000.00), Seller represents that Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those are defined by the Internal Revenue Code and applicable regulations) and agrees to execute an affidavit to this effect at time of settlement.

26. **NO RECORDING:** This Contract shall not be recorded in the office of the Recorder of Deeds or in any other office or place of public record. If Buyer(s) shall record this Contract or cause or permit it to be recorded, Seller(s), may, at Seller(s) option elect to treat such act as a breach of this Contract.

27. **ENTIRE CONTRACT:** This Contract and any addenda hereto contain the final and entire Contract between the parties and may not be modified or changed except by written agreement signed by all parties. The parties agree that neither they nor their Agents shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained herein. The parties to this Contract mutually agree it is binding upon them, and each of their respective heirs, executors, administrators, personal representatives, successors, and assigns. The parties agree this Contract shall be deemed validly executed and delivered by a party if that party signs this Contract and delivers a copy of the signed Contract or counterpart thereof to the other party. The delivery may be by hand delivery, mail, "FAX" or telecopier. Buyer(s) may not assign their rights and interest under this Contract without Seller's prior written consent, which consent will not be withheld unless such assignment may adversely affect Seller(s).

All Seller Initials

All Buyer Initials

28. **TERMS AND OR CONDITIONS:** _____

29. **ADDENDA AND ATTACHMENTS:** Attached to this Contract are addenda/attachments which bear the signatures of all parties concerned and are hereby made a part of this Contract and shall be construed to govern over any inconsistent portions of this printed form. Those attachments are (list each addenda or attachment): _____

30. **MISCELLANEOUS:** Delaware law governs this Contract. The paragraph captions are inserted for convenient reference only and are not intended to limit or enlarge the substance of this Contract.

IN WITNESS WHEREOF, the Buyer(s) and Seller(s), intending to be legally bound,
have hereunto set their hands and seals.

WITNESS

BUYER

(SEAL) _____
Date & Time

WITNESS

BUYER

(SEAL) _____
Date & Time

WITNESS

SELLER

(SEAL) _____
Date & Time

WITNESS

SELLER

(SEAL) _____
Date & Time

Deposit Received \$ _____ Cash _____ Check # _____

Effective Date of Contract/Agreement _____