

Some Information Relative to the Purchase of Real Estate For use in Montgomery County and the District of Columbia

This information is to assist Buyers in the purchase of residential real property. The contents are not all-inclusive and are provided for informational purposes only.

- 1. Legal Requirements:** All contracts for real property are required to be in writing to be legally enforceable. There is a "Maryland Association of Realtors (tm) Residential Contract of Sale" (MAR) for use in Maryland or the "Regional Sales Contract" (Regional) for use in Maryland and the District of Columbia. Appropriate jurisdictional addenda are required with each contract. Buyers have the right to have legal counsel review these forms. All written offers are to be presented to the Seller.
- 2. Agency Relationships:** Buyers must be provided a written disclosure about agency relationships on forms specified by the State of Maryland and/or the District of Columbia, as applicable. If Buyers desire to have an agent represent them, they must have a written Buyer agency agreement.
- 3. Fair Housing:** In compliance with federal fair housing regulations, properties shall be made available to all persons without regard to race, color, religion, national origin, sex, handicap and familial status. The District of Columbia recognizes age, marital status, physical handicap, sexual orientation, family responsibilities, matriculation, political affiliation, source of income, place of residence or business, and personal appearance as protected classes in addition to the federal protected classes. Maryland recognizes marital status, physical/mental handicap, and sexual orientation as protected classes in addition to the federal protected classes. In Montgomery County, protected classes in addition to those of federal and the State of Maryland include source of income, age and ancestry.
- 4. Land Use:** Land uses may be restricted on some properties by covenants, easements, zoning, subdivision regulations, historic preservation regulations, environmental laws, airport noise, planned land uses, road or highway rights of way, federal, state, county and/or local or municipal restrictions or statutes, or other regulations. Information may be procured through government agencies and a title search for recorded land use restrictions prior to making an offer to ascertain how such restrictions may impact use of the property.
- 5. Property Taxes:** (A) **Tax Bill Increases.** Your property tax bill could substantially increase following transfer of title. For owner occupied properties, both Maryland and the District of Columbia have programs which limit the amount that taxes on real property can increase from one year to the next. Once the property transfers to a new owner, these limits are removed for the fiscal year following transfer of title, which may result in a significant increase in the tax bill. (B) **Right of Appeal.** You have the right to appeal the next year's property tax assessment within strict timeframes following transfer of title. For more information on property taxes, appealing assessments, and the availability of tax credits, contact the Maryland State Department of Assessments and Taxation and/or the Montgomery County Department of Finance for Maryland properties, or the Office of Tax and Revenue for District of Columbia properties.
- 6. Inspections:** Buyers may include in their purchase offer the right to employ a professional engineer, home inspection specialist, environmental firm or other expert(s) of their choice to inspect the property for possible hazardous substances, building material concerns and defects. Hazardous substances and building materials of concern may include, but are not limited to, asbestos, cleaning chemicals, indoor pollutants, lawn and garden chemicals, lead, mold spores, paint, radon, radium, fire retardant treated plywood (FRT), polybutene pipes, and synthetic stucco (EIFS). Other factors may include contaminated groundwater, nearby landfills and other disposal sites, industrial sites, and noxious air or aircraft over flight noise. Agents do not have the technical expertise to advise Buyers of the presence of such factors, or whether or not they pose a problem. Buyers can obtain information from a home inspection specialist, environmental specialists, the U.S. Environmental Protection Agency, the Maryland Department of the Environment, U.S. Army Corps of Engineers, Maryland-National Capital Park and Planning Commission, District of Columbia Department of the Environment and other governmental agencies.

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- 7. Mold:** The Listing Broker may list properties and the Selling Broker may show properties that contain mold. Molds are a type of fungus, some of which may potentially cause harm to humans. The Brokers are not experts with regard to mold or the health effects of mold exposure. Accordingly, if the Buyer has a concern, it is the responsibility of the Buyer to retain appropriate professionals to inspect property that the Buyer may purchase to determine the presence of any mold.
- 8. Financing:** Mortgage rates and fees vary with financial institutions and fluctuations in the market. Buyers have the right to select the lender and the right to negotiate the terms of their financing and the conditions of their loan. Consult lenders or visit the following web sites for first time home buyer and other special programs, www.montgomerycountymd.gov or www.dc.gov in the District of Columbia.
- 9. Warranty:** A number of companies provide home warranties/service contracts on systems, appliances, etc. Agents can provide information on companies that provide such service.
- 10. Homeowner's Insurance:** Homeowner insurance rates and availability are determined in part by the number and nature of claims and inquiries made on a property's policy as well as the number and nature of claims made by a prospective Buyer. Buyer should consult insurance carriers as soon as possible.
- 11. Criminal Activity and Sexual Offender:** Buyer may contact the state, county or municipal police departments in which the Property is located or check the Maryland Department of Public Safety and Correctional Services website or the District of Columbia Police Department website in order to ascertain criminal activity in the vicinity of the Property or the presence of registered sexual offenders who live or work within the vicinity of a property. Buyer acknowledges that Buyer is solely responsible to inquire of such matters before signing a contract. Buyer shall have no right to cancel a contract based upon criminal activity or the presence of registered sexual offenders in the vicinity of a property. Buyer further acknowledges that no real estate licensee involved in the sale or purchase of a property, whether acting as the agent for Seller or Buyer, has any duty nor assumes any duty or responsibility to ascertain criminal activity or the presence of registered sexual offenders in the vicinity of the Property.
- SPECIFIC TO DISTRICT OF COLUMBIA**
- 12. Property Condition Disclosure:** With limited exceptions, Sellers are required by law to provide Buyers with a standard property condition disclosure prior to or at the time of ratification of a sales contract. Should such disclosure not be provided, the Buyer shall have the right to void said contract. The disclosure is not a substitute for an inspection by an engineer, home inspection specialist or environmental firm, and Buyers may wish to obtain such an inspection. Note that even without such disclosure the Seller is obligated to disclose known material defects.
- 13. Homeowner's Associations, Condominiums, Cooperatives Disclosure:** In the case of a condominium unit resale, the Seller must provide the Buyer with the Condominium Instruments and Certificate ("information package") on or prior to the tenth business day following ratification of the Contract. The Buyer is entitled to a mandatory review period of three business days following receipt of the information package, during which time the Buyer will have the right to void the contract. Should the Seller fail to deliver the Instruments and Certificate to the Buyer within ten business days of ratification, the Buyer shall have the option to void the contract at anytime thereafter until the time of settlement but no later than 3 business days following actual receipt of the information package as outlined above. This right cannot be waived. If a property is part of a cooperative or a development which has the right to impose a mandatory fee, the Buyer can request the Seller, as part of the contract, to provide relevant information. Such information may include, but is not limited to, the specific fees involved as well as a package of covenants, restrictions, bylaws and financial information.
- 14. Tenancy Rights:** If a property is tenant occupied, the tenants qualify under the Tenant Opportunity to Purchase Act to match a bona fide offer by a third party. It is important to understand the complexities of a tenant-occupied sale prior to making an offer.
- 15. Transfer and Recordation Fees:** The DC Recordation Tax is the responsibility of the Buyer, and DC Transfer Tax is the responsibility of the Seller, unless otherwise negotiated in the sales contract.

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SPECIFIC TO MONTGOMERY COUNTY

16. Government Regulations Disclosure: Sellers are required to disclose to the best of their knowledge specific facts relevant to, or affecting any property, whether imposed by law or regulation or any common law principle. Completed and signed "Government Regulations, Easements and Assessments Disclosure and Addendum" shall be available prior to making a purchase offer and is required to be part of the sales contract.

17. Property Condition Disclosure/Disclaimer: Buyers are entitled, with limited exceptions, to receive the completed Maryland Residential Property Disclosure or Disclaimer Statement. The Seller has the option whether to disclose or disclaim. The disclosure portion of the form requires the Seller to provide information, of which the Seller has actual knowledge regarding the condition and age of various systems and the structure, and information about factors which impact the property. A Seller's execution of the disclaimer portion of the form does not mean the sale is "as is." The Disclosure/Disclaimer form states that the property conveys "as is" except as provided in the sales contract. The Disclosure is not a substitute for an inspection.

18. Land Use Plans: Properties may have special restrictions on land uses and physical changes. Buyers may review the County master plan, adopted amendments, and approved official maps showing planned land uses, roads, and highways, parks and other public facilities and any applicable municipal plan to understand how recorded covenants, easements, zoning, subdivision regulations, County historic preservation regulations, environmental laws, planned land uses, road or highway right of ways, local restrictions, statutes, or other regulations affect a particular property. County master plans can be viewed at the Maryland-National Capital Park and Planning Commission, 8787 Georgia Avenue, Silver Spring, MD 20910. Local/municipal plans are available at the municipal offices. For a list of municipalities, their telephone numbers and web sites, go to the Resources link on www.gcaar.com or to www.montgomerycountymd.gov.

19. Transfer and Recordation Fees: Maryland law requires that, unless otherwise negotiated in the sales contract, the cost of any recordation tax or State and County transfer tax shall be shared equally between Buyer and Seller. In the event the Buyer is a First Time Maryland Owner Occupant Home Buyer, the law waives the Buyer's portion of the State transfer tax.

20. Homeowner's Associations, Condominiums, Cooperatives and Developments with Restrictions: If a property is part of a condominium, cooperative or a development which has rights, such as but not limited to, the right to impose a mandatory fee, the Buyer will be provided a package of covenants, restrictions, by laws and financial information as well as a mandatory review period.

I/we acknowledge receipt of this notice from _____ (**Name of Real Estate Agent**) (Agent), affiliated with _____ (**Name of Real Estate Company**) (Broker)

Phone(s): _____

Buyer (printed name) _____ Date _____ Buyer (printed name) _____ Date _____

Signature _____ Signature _____

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