

NEW JERSEY ADDENDUM

ASSET # _____

PROPERTY ADDRESS _____

Limited Service Listing: It is understood that the Listing Agency is a limited service brokerage. Once the contract is signed the Seller will appoint a Document Processor and/or a Closing Coordinator who will manage the execution of the contract. The Listing Agent is available to assist with any issues that hinder the forward movement of the transaction. Buyer and/or Buyer's Agent should copy the Listing Agent on all written communications with the Seller by using the email address david.sweeney@rhss.com.

Attorney Review. Buyer acknowledges that the Purchase and Sale Agreement ("Agreement"), by and between Seller and Buyer was not prepared by a real estate licensee representing either Buyer or Seller and is thus not subject to attorney review as defined by New Jersey Administrative Code 11:5-6.2.

However, during the period beginning on the Effective Date and ending at 5:00 pm ET on the Inspection Contingency Deadline (the "Inspection Period"), Buyer, at Buyer's sole cost and expense, shall have the opportunity to engage an attorney licensed in New Jersey to review this Agreement and terminate this Agreement pursuant to Section 7.2.3.

In the case of an auction property, Attorney Review should have been done as part of your due diligence, prior to making the bid (see Auction Properties below)

Opinion 26. Buyer acknowledges that the Purchase and Sale Agreement ("Agreement"), by and between Seller and Buyer was not prepared by a real estate licensee representing either Buyer or Seller and is thus not subject to notice In re Opinion 26, 139 N.J. 323 (1995).

However, the language of that notice is hereby included as a convenience for the buyer:

The Supreme Court of New Jersey 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. Here is the information for both buyer and seller:

1) I am a real estate broker. I represent the seller. I do not represent the buyer. The title company does not represent either the seller or the buyer. Furthermore, both the seller and the buyer should know that it is in my financial interest that the house be sold and that the closing be completed. My fee is paid only if that happens. The title company has the same interest, for its insurance premium is paid only if that happens.

2) I am not allowed, and I am not qualified, to give either the seller or the buyer any legal advice. Neither the title company nor any of its officers are allowed to give either the seller or buyer any legal advice. Neither of you will get any legal advice at any point in this transaction unless you have your own lawyer. If you do not hire a lawyer, no one will represent you in legal matters either now, or at the closing. I will not represent you and the title company and its officers will not represent you in those matters.

3) The contract attached to this notice is the most important part of the sale. It determines your rights, your liabilities, and your risks. It becomes final when you sign it - unless it is canceled by your lawyer within three days - and when it does become final you cannot change it, nor can any attorney you may hire thereafter change it in any way whatsoever.

4) The buyer especially should know that if he or she has no lawyer, no one will be able to advise him or her on what to do if problems arise in connection with your purchasing this property. Those problems may be about various matters, including the seller's title to the property. They may affect the value of the property. If either the broker or title company sees that there are problems and that because of them you need your own lawyer, they should tell you. However, it is possible that they may not recognize the problems or that it may be too late for a lawyer to help. Also, they are not your lawyers, and they may not see the problem from your point of view.

5) Whether you, seller or buyer, retain a lawyer is up to you. It is your decision. The purpose of this notice is to make sure you have some understanding of the transaction, the risks, who represents whom, and what their interests are, when you make that decision. The rules and regulations concerning brokers and title companies prohibit each of them from suggesting that you are better off without a lawyer. If anyone makes that suggestion to you, you should carefully consider whose interest they are serving. The decision whether to hire a lawyer to represent your interests is yours and yours alone

Auction Properties: **If** this is an auction property, there are **no inspection contingencies** given. All due diligence, including inspections, and attorney review should have been made before you placed your bid. If you were unaware of this and cannot continue under these circumstances, then you should cancel the transaction and inform the document processor and listing agent.

On auction properties, there is a buyer's premium of \$625 or 4.5% whichever is higher. **If this is a traditional sale, no buyer's premium applies.**

Agency Relationship: It is understood by the buyer that the "Listing Agent" represents the seller and not you, the buyer. The Buyer shall acknowledge same by reading the attached Consumer Information Statement and completing the section indicating "Sign here"

Municipal Inspections: It is the sole responsibility of Buyer to order, arrange, or otherwise cause to be completed any inspection(s), Point of Sale (POS) requirements, Smoke detector tests, Certificate of Occupancy, Dye Test, or other type of city, county or government certification or inspection that may be required in the jurisdiction where Property is located. See Section 13.3.8.1 of the Purchase and Sale Agreement ("Agreement").

In the event any applicable governing body requires an escrow for repair(s) identified during the course of an inspection(s), Buyer agrees that it shall be their sole responsibility to fulfill the escrow requirement.

This New Jersey Specific Addendum ("Addendum") shall also serve as authorization for Buyer's real estate agent ("Buyer's Agent") to participate in the fulfillment of Buyer's responsibilities as defined herein.

Tax/Utility Certifications: Buyer(s) and Buyer's Agent further acknowledge that, any tax or utility certifications required to determine any outstanding balances will be ordered by the closing agent. If the closing agent is the seller's chosen company, then the cost for these certifications will be born by the

seller as part of the title costs outlined in section 8.2.2 of the PSA. If the buyer has indicated that they will chose their own closing agent, then the costs will be paid by the closing agent and allocated to each party according to section 10.1 of the PSA. Obtaining the tax/utility certificates does not make the buyer liable for the amounts due.

Home Inspections (Non-Auction Properties): Buyer acknowledges that the seller does not permit activation of water systems. Water systems may be tested with air pressure only.

Buyer further acknowledges that Buyer is purchasing the Property in its current “As Is” condition. Seller is under no obligation to make repairs to property identified by municipal inspection.

Well Water Testing. Section 13.3.8.1 of the contract states that the buyer is responsible to obtain all required certifications. This includes, at Buyer’s sole cost and expense, all testing and reports required under The New Jersey Private Well Testing Act, N.J.S.A. 58:12A-26 et seq. The test can be performed by activating the well pump while insuring that the water does not enter the plumbing system and the property remains winterized.

Realty Transfer Tax: Realty Transfer Taxes are the responsibility of the Buyer under one or both of the following sections of the contract:

Section 10.5. Buyer's Expenses (k) all other Closing and loan costs of Buyer. All other costs and expenses, including any cost, expense or transfer tax imposed by any state or local entity not otherwise addressed herein, shall be paid by Buyer at Closing.

Section 10.5.1. Buyer's Credit to Seller for Transfer Taxes . To the extent permitted by law, Buyer shall also pay a credit to Seller in the amount of any documentary stamp taxes, excise taxes or other documentary transfer tax or deed tax that may be imposed upon the Seller by applicable state law.

Miscellaneous. Buyer acknowledges that **Seller is under no obligation to alter this Agreement and that Seller declines to make changes to the terms herein.** In addition, the buyer acknowledges that it is the buyer’s responsibility to do his/her due diligence to verify/discover information, including but not limited to, flood zones, school districts and zoning. **The Listing Broker and Seller assume no responsibility and make no guarantees, warranties or representations as to the accuracy of the property information, photographs, or other information depicted or described in any listing.**

Buyer: _____ Buyer: _____

Buyer’s Agent: _____
(If Any)

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 MAYBE 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 the 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 other 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 REALHome Services and Solutions, Inc. prior to discussing my motivation to sell or lease or my desired selling or leasing price with one of its representatives."

Signed: James Harp

FOR BUYERS AND TENANTS

"By signing this Consumer Information Statement, I acknowledge that I received this Statement from REALHome Services and Solutions, Inc. prior to discussing my motivation or financial ability to buy or lease with one of its representatives."

Signed: _____

SIGN HERE

Print Name: _____

DECLARATION OF BUSINESS RELATIONSHIP

I, David M Sweeney, as an authorized representative of REALHome Services and Solutions, Inc. intend, as of this time, to work with you as a: (indicate one of the following)

☒ (X) 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)