

**NOTICE TO PURCHASER  
OF PURCHASER'S RIGHTS UNDER  
MARYLAND'S SINGLE FAMILY RESIDENTIAL  
PROPERTY CONDITION DISCLOSURE LAW**

ADDENDUM NUMBER \_\_\_\_\_ TO CONTRACT DATED \_\_\_\_\_  
BUYER: \_\_\_\_\_  
SELLER: \_\_\_\_\_  
PROPERTY: \_\_\_\_\_

NOTE: This notice does not apply to: (1) The initial sale of single family residential real property which has never been occupied, or for which a certificate of occupancy has been issued within one year prior to the date of the Contract; (2) a transfer that is exempt from the transfer tax under Subsection 13-207 of the Tax-Property Article, except land installment contracts of sale under Subsection 13-207(a)(11) of the Tax-Property Article and options to purchase real property under Subsection 13-207(a)(12) of the Tax-Property Article; (3) a sale by a lender or an affiliate or subsidiary of a lender that acquired the real property by foreclosure or deed in lieu of foreclosure; (4) a sheriff's sale, tax sale, or sale by foreclosure, partition or by court appointed trustee; (5) a transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust; (6) a transfer of single family residential real property to be converted by the buyer into a use other than residential use or to be demolished; or (7) a sale of unimproved real property.

SECTION 10-702 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND ("SECTION 10-702") REQUIRES THAT A SELLER OF A SINGLE FAMILY RESIDENTIAL PROPERTY ("THE PROPERTY") DELIVER TO EACH PURCHASER, ON OR BEFORE ENTERING INTO A CONTRACT OF SALE, ON A FORM AS PUBLISHED AND PREPARED BY THE MARYLAND REAL ESTATE COMMISSION, **EITHER:**

- (A) A WRITTEN PROPERTY CONDITION DISCLOSURE STATEMENT LISTING ALL DEFECTS, INCLUDING LATENT DEFECTS, OR INFORMATION OF WHICH THE SELLER HAS ACTUAL KNOWLEDGE IN RELATION TO THE FOLLOWING:
- (i) WATER AND SEWER SYSTEMS, INCLUDING THE SOURCE OF HOUSEHOLD WATER, WATER TREATMENT SYSTEMS, AND SPRINKLER SYSTEMS;
  - (ii) INSULATION;
  - (iii) STRUCTURAL SYSTEMS, INCLUDING THE ROOF, WALLS, FLOORS, FOUNDATION, AND ANY BASEMENT;
  - (iv) PLUMBING, ELECTRICAL, HEATING, AND AIR CONDITIONING SYSTEMS;
  - (v) INFESTATION OF WOOD-DESTROYING INSECTS;
  - (vi) LAND USE MATTERS;
  - (vii) HAZARDOUS OR REGULATED MATERIALS, INCLUDING ASBESTOS, LEAD-BASED PAINT, RADON, UNDERGROUND STORAGE TANKS, AND LICENSED LANDFILLS;
  - (viii) ANY OTHER MATERIAL DEFECTS OF WHICH THE SELLER HAS ACTUAL KNOWLEDGE; AND
  - (ix) WHETHER THE SMOKE DETECTORS WILL PROVIDE AN ALARM IN THE EVENT OF A POWER OUTAGE;
- OR**
- (B) A WRITTEN DISCLAIMER STATEMENT PROVIDING THAT:
- (i) EXCEPT FOR LATENT DEFECTS OF WHICH THE SELLER HAS ACTUAL KNOWLEDGE, THE SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION OF THE REAL PROPERTY OR ANY IMPROVEMENTS ON THE REAL PROPERTY; AND
  - (ii) THE PURCHASER WILL BE RECEIVING THE REAL PROPERTY "AS IS," WITH ALL DEFECTS, INCLUDING LATENT DEFECTS, THAT MAY EXIST, EXCEPT AS OTHERWISE PROVIDED IN THE CONTRACT OF SALE OF THE PROPERTY.

LATENT DEFECTS UNDER SECTION 10-702 MEANS MATERIAL DEFECTS IN REAL PROPERTY OR AN IMPROVEMENT TO REAL PROPERTY THAT:

Property \_\_\_\_\_

- (i) A PURCHASER WOULD NOT REASONABLY BE EXPECTED TO ASCERTAIN OR OBSERVE BY A CAREFUL VISUAL INSPECTION; AND
- (ii) WOULD POSE A THREAT TO THE HEALTH OR SAFETY OF THE PURCHASER OR AN OCCUPANT OF THE PROPERTY, INCLUDING A TENANT OR INVITEE OF THE PURCHASER.

AT THE TIME THE DISCLOSURE OR DISCLAIMER STATEMENT IS DELIVERED TO YOU, YOU ARE REQUIRED TO DATE AND SIGN A WRITTEN ACKNOWLEDGEMENT OF RECEIPT ON THE DISCLOSURE OR DISCLAIMER STATEMENT WHICH SHALL BE INCLUDED IN OR ATTACHED TO THE CONTRACT OF SALE.

SECTION 10-702 FURTHER PROVIDES THAT A PURCHASER WHO RECEIVES THE DISCLOSURE OR DISCLAIMER STATEMENT ON OR BEFORE ENTERING INTO A CONTRACT OF SALE DOES NOT HAVE THE RIGHT TO RESCIND THE CONTRACT BASED UPON THE INFORMATION CONTAINED IN THE DISCLOSURE OR DISCLAIMER STATEMENT.

YOU ARE HEREBY NOTIFIED THAT, IN CERTAIN CIRCUMSTANCES, YOU HAVE THE RIGHT TO RESCIND YOUR CONTRACT WITH THE SELLER IF THE SELLER FAILS TO DELIVER TO YOU THE WRITTEN PROPERTY CONDITION DISCLOSURE OR DISCLAIMER STATEMENT. SECTION 10-702 PROVIDES THAT A PURCHASER WHO DOES NOT RECEIVE THE DISCLOSURE OR DISCLAIMER STATEMENT ON OR BEFORE ENTERING INTO THE CONTRACT HAS THE UNCONDITIONAL RIGHT, UPON WRITTEN NOTICE TO THE SELLER OR SELLER'S AGENT:

- (i) TO RESCIND THE CONTRACT AT ANY TIME BEFORE THE RECEIPT OF THE DISCLOSURE OR DISCLAIMER STATEMENT OR WITHIN 5 DAYS FOLLOWING RECEIPT OF THE DISCLOSURE OR DISCLAIMER STATEMENT; AND
- (ii) TO THE IMMEDIATE RETURN OF ANY DEPOSITS MADE ON ACCOUNT OF THE CONTRACT.

YOUR RIGHT TO RESCIND THE CONTRACT UNDER SECTION 10-702 TERMINATES IF NOT EXERCISED BEFORE MAKING A WRITTEN APPLICATION TO A LENDER FOR A MORTGAGE LOAN, IF THE LENDER DISCLOSES IN WRITING AT OR BEFORE THE TIME APPLICATION IS MADE THAT THE RIGHT TO RESCIND TERMINATES ON SUBMISSION OF THE APPLICATION; OR WITHIN FIVE DAYS FOLLOWING RECEIPT OF A WRITTEN DISCLOSURE FROM A LENDER WHO HAS RECEIVED YOUR APPLICATION FOR A MORTGAGE LOAN, IF THE LENDER'S DISCLOSURE STATES THAT YOUR RIGHT TO RESCIND TERMINATES AT THE END OF THAT FIVE DAY PERIOD.

YOUR RIGHTS AS A PURCHASER UNDER SECTION 10-702 MAY NOT BE WAIVED IN THE CONTRACT AND ANY ATTEMPTED WAIVER IS VOID. YOUR RIGHTS AS THE PURCHASER TO TERMINATE THE CONTRACT UNDER SECTION 10-702 ARE WAIVED CONCLUSIVELY IF NOT EXERCISED BEFORE:

- (i) CLOSING OR OCCUPANCY BY YOU, WHICHEVER OCCURS FIRST, IN THE EVENT OF A SALE; OR
- (ii) OCCUPANCY, IN THE EVENT OF A LEASE WITH OPTION TO PURCHASE.

THE INFORMATION CONTAINED IN THE PROPERTY CONDITION DISCLOSURE STATEMENT IS THE REPRESENTATION OF THE SELLER AND NOT THE REPRESENTATION OF THE REAL ESTATE BROKER OR SALESPERSON, IF ANY. A DISCLOSURE BY THE SELLER IS NOT A SUBSTITUTE FOR AN INSPECTION BY AN INDEPENDENT PROFESSIONAL HOME INSPECTION COMPANY. YOU SHOULD CONSIDER OBTAINING SUCH AN INSPECTION. THE INFORMATION CONTAINED IN A DISCLOSURE STATEMENT BY THE SELLER IS NOT A WARRANTY BY THE SELLER AS TO THE CONDITION OF THE PROPERTY OF WHICH CONDITION THE SELLER HAS NO ACTUAL KNOWLEDGE OR OTHER CONDITION, INCLUDING LATENT DEFECTS, OF WHICH THE SELLER HAS NO ACTUAL KNOWLEDGE. THE SELLER IS NOT REQUIRED TO UNDERTAKE OR PROVIDE AN INDEPENDENT INVESTIGATION OR INSPECTION OF THE PROPERTY IN ORDER TO MAKE THE DISCLOSURES REQUIRED BY SECTION 10-702. THE SELLER IS NOT LIABLE FOR AN ERROR, IN ACCURACY OR OMISSION IN THE DISCLOSURE STATEMENT IF THE ERROR, IN ACCURACY OR OMISSION WAS BASED UPON INFORMATION THAT WAS NOT WITHIN THE ACTUAL KNOWLEDGE OF THE SELLER; OR WAS PROVIDED TO THE SELLER BY A THIRD PARTY AS SPECIFIED IN SECTION 10-702(I)(iii) or (j).

