

This Contract has been prepared by James H. Pickering, Jr., Esquire, 457 Kings Highway, PO Box 100, South Seaville, New Jersey 08246-0100, Municipal Solicitor for the Township of Middle. Because it has been prepared by legal counsel, it does not contain an attorney review clause that would permit any party to withdraw from the Contract subsequent to its execution by the parties hereto. If Buyer desires legal counsel, Buyer is advised to retain an attorney before the Buyer bids on any parcel at the Middle Township Land Sale, because upon Buyer's execution, Buyer shall be bound by all terms and conditions of this Contract.

CONTRACT FOR SALE OF REAL ESTATE

This Contract for Sale is made on _____, 2005

BETWEEN: THE TOWNSHIP OF MIDDLE, a municipal corporation of the State of New Jersey

Principle address: 33 Mechanic St., Cape May Court House, New Jersey, 08210

hereinafter referred to as "Seller",

AND

(High - Bidder / Purchaser's Name)

Address

hereinafter referred to as "Buyer".

The words "Buyer" and "Seller" include all Buyers and Sellers listed above, including their heirs, personal representatives, successors and assigns. This Contract is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

BACKGROUND AND CONDITIONS OF CONTRACT

Seller owns property that it has been placed for sale through a public land sale auction.

Buyer was the High - Bidder at said auction for this parcel. It is a condition of sale of this parcel that the Buyer sign this Contract. This contract, or a form of it, has been available for inspection and review by any member of the public in the Middle Township Tax Assessor's office. It is presented with the General Rules of Land Sales which are available and given to anyone who asks and to all who ask that a Township parcel be placed for auction. The contract was also available at the land sale auction for review before bidding.

It is a condition of this contract that this contract be confirmed by the Township Committee.

It is a condition of this contract that the Buyer purchase title insurance.

This document incorporates any and all terms contained in the General Rules of Land Sale which is attached hereto.

TERMS

1. Purchase Contract. The Buyer agrees to buy the parcel for which Buyer was the High-Bidder at the Land Sale Auction. The Buyer understands and agrees that this contract is conditioned on the Township Committee of the Township of Middle confirming the contract and the sale of this property. Buyer acknowledges that he/she/it has been provided a fully executed copy of this contract and the General Rules of Land Sale.

2. Property. The property to be sold consists of land and improvements thereon. The real property to be sold is commonly known as

Block _____, Lot _____ on the Municipal Tax Map of the Township of Middle, County of Cape May, and State of New Jersey.

3. Purchase Price. The purchase price is: \$ _____

4. Payment of Purchase Price. The Buyer will pay the purchase price as follows:

- a. Deposit (to be held by the Seller)
(10% of bid price paid at the time of the Auction Sale) \$ _____
- b. Cash, certified or bank cashier's check (90% of bid price) \$ _____
- Total purchase price \$ _____

The balance of 90% of the highest bid (payment required by paragraph 4(b) above) shall be paid in cash or by certified or bank cashier's check to the Township of Middle, and must be received by Tracey L. DeVico Taverner, Chief Financial Officer of the Township of Middle, not later than seventy (70) days after the date of the auction sale. If the payment is not received within 70 days, the Buyer shall lose any and all rights to purchase the property, and shall also forfeit any deposit.

5. Other payments by Buyer. In addition to the Deposit paid pursuant to paragraph 4(a) above, the Buyer shall pay:

- a. \$150.00 as a fee for the preparation and recording of the deed;
- b. \$290.00 for title insurance pursuant to paragraph 7 below.

6. The Closing of Title. The Closing date cannot be made final at this time. Buyer must, however, make payment in full within 70 days as required by paragraph 4 above. Closing shall occur in Middle Township Municipal Hall.

7. Title Insurance. It is a condition of the sale that the Buyer obtain a title insurance policy which warrants that the Township is conveying clear title. At the time of the signing of this contract (the day of the Auction Sale), the Buyer shall pay \$290.00 for the title policy. This will be enough to pay for a title policy on any parcel purchased for \$56,000.00 or less. If the price is more than that, at the time of settlement, further funds will be necessary to pay for the remaining balance due on the title policy. If a title report discloses an unmarketable condition of title (other than monetary conditions such as liens, mortgages, assessments, etc.) the remedy of the Buyer shall be limited to the return of payments made to the Township. Nothing in this paragraph shall prevent anyone from purchasing their own title insurance, which must be to the satisfaction of the municipal solicitor, and if a Buyer does purchase his/her/its own title insurance, than the \$290.00 shall be returned if Buyer provides adequate notice to the Township. In any and all events, the \$290.00 must be paid at the signing of the contract.

8. Type of Deed. A deed is a written document used to transfer ownership of property. In this sale, the Seller agrees to give Buyer a properly executed “Bargain and Sale Deed, with covenant as to grantor’s acts”, which the Buyer agrees to accept. The deed shall contain language that the conveyance is subject to certain terms and conditions, specifically, the following, and perhaps others depending on the peculiarities of each specific parcel:

- a. All water liens, rates or charges, if any due the Township of Middle which the Grantee assumes and agrees to pay.
- b. Such taxes as may hereafter be due for the balance of the year.
- c. Zoning ordinances of the Township of Middle and any other ordinance or statute that may affect the use of the property.
- d. The lands are not sold upon any representation that the Township will install any drains, sewers, roads, curbing or other improvements.
- e. Subject to easements and restrictions, if any, affecting the said premises whether recorded or unrecorded.
- f. The property is being conveyed in an “as is” condition. The Township makes no representation as to the condition of the same, nor does the Township make any warranty, implied or expressed, conditional or unconditional, regarding same.
- g. Subject to such state of facts as an accurate survey may disclose.
- h. Subject to such variations and easements which a title search and survey may reveal.
- i. Any and all terms and conditions contained in the General Rules of Land Sale.
- j. The Township of Middle, for itself, its successors and assigns, shall reserve unto itself the right to construct, install, build, operate, maintain, use, repair, replace and relocate such public utilities and cable television facilities, within the described premises, which it may, at any time hereafter, deem necessary for the public health, safety, convenience and welfare, and the Township of Middle shall further reserve unto itself the right to use, maintain, repair, replace and relocate all existing utilities and cable television facilities owned or controlled by it located in, adjacent to, upon or through said land, and further reserves unto itself an easement over, under, through and across the portion of the land described as may be necessary or expedient for the purpose of maintaining, replacing, relocating, installing, leveling, constructing and repairing its utilities, mains and appurtenances, if any, wherever there exists a pipeline and appurtenances thereto beneath the surface of the aforesaid described land. The Township of Middle shall further reserve for its benefit and the benefit of any utility or cable television company the right to maintain, repair, and replace utilities or facilities installed by them in, adjacent to, over or

through the aforesaid land. All of the aforesaid rights are to be exercised solely at the option and discretion of the Township of Middle and this is not to be interpreted as an obligation of the Township to provide such services.

9. Buyer Financially Able to Close. The Buyer represents that the Buyer will have sufficient cash available to complete this purchase.

10. Title. (a) Seller shall convey to Buyer such good, indefeasible and marketable fee simple title to the property as will enable Buyer's title insurance company (the "title company") to issue its full-coverage, standard, revised ALTA Owner's Policy of Title Insurance ("title policy") in the amount of the purchase price, at regular rates, subject, however, to the following exceptions which shall be deemed "Permitted Exceptions":

- (1.) Laws, regulations or ordinances of federal, state, county or local entities or agencies having jurisdiction over the property.
- (2.) Easements, covenants, and restrictions of record.
- (3.) Such state of facts as would be shown on an accurate survey of the property, provided such survey does not reveal encroachments onto the property from adjoining properties or from the property onto adjoining properties that would make the property unusable for any purpose.
- (4.) The rights of utility companies to maintain pipes, poles or cables and wires over, on and under the street, the part of the property next to the street or running to any house or other improvement on the property.

(b) Pursuant to paragraph 7 above, the Township shall order title insurance, unless directed by the Buyer that he/she/it is going to provide its own title insurance. In either event, Buyer shall advise Seller, in writing, of any defects in title which are not Permitted Exceptions or which otherwise constitute defects to the state of title required in this contract. Seller shall remove or cure defects within thirty-days (30) of Buyer's notification to Seller of such defects.

If Seller is unable to remove or cure any other defect, Seller shall advise Buyer, in writing. In such event Buyer shall have the right to either (1) declare this Contract null and void, or (2) extend the time of closing to allow Seller reasonable additional time to remove such defects. In the event Buyer allows Seller additional time within which to cure or remove such defects and Seller is not able to do so, Buyer may (1) declare this Contract null and void, or (2) proceed to closing of title either without a reduction of the purchase price or with a reduction agreed to between Buyer and Seller. If Buyer elects to declare this Contract null and void for any reason set forth above, all deposit monies, together with any interest, shall immediately be repaid to Buyer, and this contract shall be canceled without further liability to either party.

11. **Improvements.** The Township makes no representations, warranties or guarantees that any and all improvements on the parcel are within the property boundaries, nor any representations, warranties or guarantees regarding the property that an accurate survey would show. **Buyer was urged to perform their due diligence before bidding on a parcel.**

12. **Easements.** The Township makes no representations, warranties or guarantees about the existence or non-existence of any covenants, restrictions, easements, right-of-way rights, or other encumbrances on the property. The High - Bidder / Purchaser takes title to the property subject to any and all such covenants, restrictions, easements, right-of-way rights, or other encumbrances. It is not a sufficient reason for a High - Bidder / Purchaser to get their deposit back that they later find out that there are significant restrictions on the property.

13. **Zoning Laws.** The Township makes no representations, warranties or guarantees about the size or dimensions of the property (Buyer has been informed that the tax maps are not always accurate and are not to be relied upon), whether or not the property meets existing zoning regulations, has improved street access, is subject to any environmental constraints, or is able to be improved with any buildings or other structures. The Township of Middle will not construct or maintain access roads to any parcel. The Township of Middle specifically cautions potential bidders that the property may not qualify for a building permit due to a lack of sufficient water supply, lack of sewer service or ability to install a septic system, lack of access, inadequate lot size, or other reason. Any development or improvements to the parcel must comply with all applicable zoning, building, environmental and health ordinances regulations, local, county, state and federal. **Buyer was urged to perform their due diligence before bidding on a parcel.**

14. **Risk of Loss.** The risk of loss or damage to the property by fire or otherwise, excepting normal wear and tear, is on the Seller until the closing. If there is damage, the Buyer can proceed with the closing and either: (a) require the Seller to repair the damage before closing; or (b) instead of repair by the Seller, make a proper deduction for the estimated cost of repair from the purchase price. In addition, the Buyer may cancel this Contract if the estimated costs of repair are more than 10% of the purchase price.

15. **Assessments.** Certain municipal improvements, such as sidewalks and sewers, may result in a municipality charging property owners to pay for the improvement. These charges are called assessments. All assessments which may be imposed by the municipality for public improvements which have been completed as of the date of this Contract are to be paid in full by the Seller unless specifically stated at the time of the Auction Sale.

16. **Adjustments at Closing.** None.

17. **Closing Costs.** Any and all closing costs are to be paid by the Buyer, including any taxes required by the State of New Jersey.

18. **Recording of Contract.** This Contract shall not be recorded with the County Clerk or in any other office or place of public record. If the Buyer records this Contract or permits the same to be recorded, the Seller may, at his option, elect to treat this as a breach of this Contract.

