

MEMBERSHIP RESALES CONTRACT

Silver Spring, Maryland \_\_\_\_\_ 20 \_\_\_\_\_

1. Received from \_\_\_\_\_, referred to as "Purchaser," as a deposit on account of the purchase price of the property described below / / cash, / / personal check,

/ / cashiers check, / / promissory note due \_\_\_\_\_, or \_\_\_\_\_ for the sum of

\_\_\_\_\_ \$ \_\_\_\_\_

Purchaser shall pay at settlement an additional sum of \_\_\_\_\_ \$ \_\_\_\_\_

Purchaser shall obtain institutional financing (INSTITUTIONAL FINANCING ADDENDUM ATTACHED \_\_\_\_\_ YES \_\_\_\_\_ NO)

in the amount of \_\_\_\_\_ \$ \_\_\_\_\_

FOR A SALE PRICE OF \_\_\_\_\_ \$ \_\_\_\_\_

[THE ENTIRE DEPOSIT, RECEIPT OF WHICH IS ACKNOWLEDGED, SHALL BE HELD BY THE UNDERSIGNED AGENT AND DEPOSITED IN AN ESCROW ACCOUNT IN ACCORDANCE WITH THE MARYLAND REAL ESTATE LICENSE LAW UPON RATIFICATION OF THIS CONTRACT BY BOTH PURCHASER AND SELLER]

TO PURCHASE THE FOLLOWING PROPERTY:

(a) One membership in Montgomery Mutual, Inc., (a Maryland cooperative housing corporation hereinafter referred to as the "Corporation"), ownership of which entitles a member to exclusive occupancy of certain premises known as \_\_\_\_\_, Silver Spring, Maryland 20906, subject to the provisions of the Corporation's Articles of Consolidation, By-Laws, Occupancy Agreement, and the Corporation's regulations governing purchase and resale of memberships in the Corporation included among those in the Corporation's Membership Resale Disclosures which contain the information Seller is required to provide Purchaser under the Corporation's regulations governing resale of membership in the Corporation. Purchaser hereby acknowledges receipt of the Corporation's document, Information for Purchasers of Memberships. Seller hereby acknowledges receipt of the Corporation's document, Information for Sellers of Memberships.

(b) The following items of personal property now or to be located on said premises (ALL PERSONAL PROPERTY ACCEPTED "AS IS"):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Purchaser is required to contact the Corporation immediately to prepare and submit an application for membership in the Corporation together with such supporting documents and information as may be required, and to arrange for the personal interview required by the

Corporation for approval of Purchaser as a transferee. Such interview to take place no later than \_\_\_\_\_.

3.(a) Possession of said premises shall be given to Purchaser after approval by the Corporation of the Purchaser's application for membership is effective, renovation of the premises has been satisfactorily completed in accordance with the Corporation's renovation regulations, and settlement has been made as provided for herein.

(a) Settlement shall take place on or before \_\_\_\_\_, if approval of Purchaser's application for membership in the Corporation is effective and all monies are on deposit.

4. Unit carrying charges are currently \$ \_\_\_\_\_ per month, subject to change from time to time by action of Corporation. The obligation of the Seller to pay monthly carrying, and any other incurred charges, and the rights and the other obligations of the Seller as a member of the Corporation, shall continue until settlement. The obligations of Purchaser to pay monthly carrying, and any other incurred charges, and the rights and other obligations of the Purchaser as a member of the Corporation shall commence as of the date of settlement and continue thereafter.

Seller (initial, date) \_\_\_\_\_

Purchaser (initial, date) \_\_\_\_\_

Seller (initial, date) \_\_\_\_\_

Purchaser (initial, date) \_\_\_\_\_

5. **ADDITIONAL PROVISIONS: SPECIAL PROVISIONS IN THE ATTACHED ADDENDA, BEARING THE SIGNATURES OF ALL PARTIES CONCERNED, ARE HEREBY MADE APART OF THIS CONTRACT. ADDENDA ATTACHED / XX / YES / / NO**

6. AGENCY. The Parties recognize Agent(s):

\_\_\_\_\_ of broker \_\_\_\_\_  
broker code \_\_\_\_\_, MCAR # \_\_\_\_\_, Office Phone # \_\_\_\_\_ as the Agent,  
**representing the Seller pursuant to the terms of a separate Listing Contract,**

\_\_\_\_\_ of broker \_\_\_\_\_  
broker code \_\_\_\_\_, MCAR # \_\_\_\_\_, Office Phone # \_\_\_\_\_ as subagent(s),  
**representing the Seller pursuant to the offer of a sub agency made and accepted through the MRIS, or**

\_\_\_\_\_ of broker \_\_\_\_\_  
broker code \_\_\_\_\_, MCAR # \_\_\_\_\_, Office Phone # \_\_\_\_\_ as the Agent,  
**representing the Purchaser pursuant to a separate Agreement between the Agent and Purchaser.**

**GCAAR FORM #1003, UNDERSTANDING WHOM AGENTS REPRESENT, IS ATTACHED.**

If not previously paid, the Party making settlement is hereby irrevocably authorized and directed to deduct and pay the brokerage fee(s) to the Agent(s) from the proceeds of sale in accordance with a separate listing contract and with the Metropolitan Regional Information Systems (MRIS) offer of compensation to cooperating Agents and as instructed by the Listing Broker. In the event settlement should fail to occur within the time herein set forth, the Agent(s) shall still be entitled to the brokerage fee(s) referenced above.

7. **MASTER PLAN. (This paragraph does not apply to property located in the City of Rockville.)**  
 Purchaser has the right to examine, prior to signing this Contract, the applicable master plan and any municipal land use plan for the area in which the property is located and any adopted amendment to either plan, and approved official maps showing planned land uses, roads and highways, parks and other public facilities affecting the property contained in the Plan.  
 By signing this provision below, Purchaser acknowledges the following:

1. Seller has offered the Purchaser the opportunity to review the applicable master plan and municipal land use plan and any adopted amendment;
2. Seller has informed Purchaser that amendments affecting the plan may be pending before the Planning Board or the County Council or a municipal planning body;
3. Purchaser has reviewed each plan and adopted amendment or does hereby waive the right to review each plan and adopted amendment; and
4. Purchaser understands that to stay informed of future changes in County and municipal land use plans, the Purchaser should consult the Planning Board and the appropriate municipal planning body.

Purchaser \_\_\_\_\_ Purchaser \_\_\_\_\_

8. Seller shall deliver to the Settlement Attorney the Membership Certificate of the Corporation, for transfer. Purchaser agrees to furnish Montgomery Mutual, Inc. with any and all financial information and documents required to obtain approval by Corporation as a transferee. Seller shall pay, as required by the Corporation's resale regulations in force at time of settlement, an amount including but not limited to all unpaid charges due from Seller to the Corporation; all costs of renovating the premises chargeable to the Seller under the Corporation's renovation regulations in force at time of settlement, and the Occupancy Agreement; all amounts due the Leisure World of Maryland Corporation for materials and services provided as of settlement date; and any fees charged by the Settlement Attorney. Purchaser shall pay, as required by the Corporation's resale regulations in force at time of settlement, the following charges and fees: Resale Improvement Fund Contribution; Membership Transfer Fee; all costs of renovation of the premises chargeable to the Purchaser under the Corporation's renovation regulations and Occupancy Agreement; and any fees charged by the Settlement Attorney. Should Montgomery Mutual, Inc. levy an assessment against the premises after the date of ratification of this contract but before settlement thereof, assessment shall be paid by Seller if it is due prior to or on the date of settlement, or by Purchaser if it is due after the date of settlement, and adjusted to the date of settlement if payable on any basis other than a single payment.

9. Purchaser has inspected subject premises and accepts the condition thereof, including any additions, alterations and improvements made thereto by Seller and/or a previous occupant, subject to renovation of the premises in accordance with the Corporation's renovation regulations and to the requirements specified in the Renovation Work List. Purchaser also agrees to the removal of any additions, alterations and improvements on the premises that are not permitted by the Corporation and to the retention of those the Corporation requires to be retained.

Seller (initial, date) \_\_\_\_\_  
Seller (initial, date) \_\_\_\_\_

Purchaser (initial, date) \_\_\_\_\_  
Purchaser (initial, date) \_\_\_\_\_

10. SPECIAL NOTICE. THE AGENTS ASSUME NO RESPONSIBILITY FOR THE CONDITION OF THE PROPERTY NOR FOR THE PERFORMANCE OF THIS CONTRACT BY ANY OR ALL PARTIES HERETO. PURCHASER HEREBY WARRANTS AND REPRESENTS UNTO THE REAL ESTATE BROKERS HEREIN THAT NO AGENT, SERVANT OR EMPLOYEE OF SAID REAL ESTATE BROKERS HAS MADE ANY STATEMENT, REPRESENTATION OR WARRANTY TO THEM REGARDING THE CONDITION OF THE PREMISES OR ANY PART THEREOF UPON WHICH THE PURCHASER HAS RELIED AND WHICH IS NOT CONTAINED IN THIS CONTRACT.

11. FORFEITURE OF DEPOSIT/LEGAL REMEDIES. If Purchaser shall fail to make full settlement, the deposit herein provided for may be forfeited as liquidated damages at the option of Seller, in which event Purchaser shall be relieved from further liability hereunder. If Seller elects not to require forfeiture of the deposit, Seller shall notify Purchaser and Agent(s) in writing within thirty (30) days from the date provided for settlement herein of his election to avail himself of any legal or equitable rights which he may have under this contract, other than said forfeiture. In the event that Seller elects not to require forfeiture of the deposit, said deposit shall be retained by Agent holding the same pending resolution of Seller's legal action. In the event of the forfeiture of the deposit, or if Seller shall fail to take any action or fail to pursue any legal or equitable remedies, then and in that event, Seller shall pay the Agent(s) as compensation for services one-half (1/2) of the amount of the deposit, said amount not to exceed the amount of the full brokerage fee. If after a breach by Purchaser, Seller shall release Purchaser from liability hereunder or authorize a refund of the deposit, Seller shall pay the Agent(s) as compensation for services one-half (1/2) thereof, said amount not to exceed the amount of the full brokerage fee, but said amount shall not be less than one-half (1/2) of the deposit in the event of a compromise agreement. If the Agent(s) is required to participate in any legal proceeding, either as Plaintiff, Defendant or Third Party, Seller agrees to pay reasonable attorney's fees for Agent's own attorney.

12. The By-Laws of the Corporation provide that transfers of memberships are subject to prior approval by Corporation. Purchaser and Seller agree that if Purchaser has performed under Item 2 of this contract and Corporation, for any reason, should not approve Purchaser as a transferee, Purchaser shall be entitled to refund of all sums paid to Seller, less cost of credit report and one-half of escrow charges.

13. This contract may be executed in counterparts, each of which, when so executed, may be considered an original.

14. Seller understands that Montgomery Mutual, Inc. will retain fifteen hundred dollars (\$1,500.00) to be held in a contingency escrow account for 40 days after settlement to accommodate fulfillment by Seller of charges unknown to Montgomery Mutual, Inc. at the time of settlement; and that at the end of 40 days Montgomery Mutual, Inc. shall render a full accounting of the funds so retained to the Seller and remit to the Seller the full balance thereof, if any, remaining after paying all of the Seller's previously unpaid charges.

15. Seller warrants and represents that he has absolute title to and full rights to dispose of any personal property described in Item 1(b) above and agreed to be sold hereunder and that there are no liens, claims or encumbrances of any kind against any such personal property.

16. NOTICE TO PURCHASER AND ALL OTHER PARTIES. Any person aggrieved in accordance with Article 56, Section 217A of the Maryland Code may be entitled to recover compensation from the Maryland Real Estate Guaranty Fund for his actual loss, as proven before the Maryland Real Estate Commission, in an amount not exceeding \$25,000 in consideration of any claim. A purchaser or other aggrieved person is not protected by the Guaranty Fund in an amount in excess of \$25,000 for any claim.

17. AGREEMENT OF PRINCIPALS. We, the undersigned, hereby ratify, accept and agree to this contract and acknowledge receipt of a copy thereof. The principals to this contract mutually agree that it shall be binding upon them, their heirs, executors, administrators, personal representatives, successors and assigns; that the provisions hereof shall survive the execution and delivery of the membership certificate herein stated and shall not be merged therein; that this contract contains the final and entire agreement between the parties hereto, and neither they nor their Agents shall be bound by any terms, conditions, statements, warranties, or representations, oral or written, not herein contained.

18. THE UNDERSIGNED PURCHASER HEREBY CERTIFIES TO HAVING RECEIVED AND READ THIS CONTRACT BEFORE SIGNING IT. THE UNDERSIGNED SELLER HEREBY CERTIFIES TO HAVING RECEIVED AND READ THIS CONTRACT BEFORE SIGNING IT.

Seller \_\_\_\_\_ Date \_\_\_\_\_ Purchaser \_\_\_\_\_ Date \_\_\_\_\_

Seller (Print) \_\_\_\_\_ Purchaser (Print) \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_ Purchaser \_\_\_\_\_ Date \_\_\_\_\_

Seller (Print) \_\_\_\_\_ Purchaser (Print) \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone: Home \_\_\_\_\_ Office \_\_\_\_\_ Phone: Home \_\_\_\_\_ Office \_\_\_\_\_

**SELLER OR PURCHASER, WHOEVER PROVIDES FINAL RATIFICATION, SHOULD COMPLETE THE FOLLOWING:**

Date of Final Ratification: \_\_\_\_\_ Time of Final Ratification: \_\_\_\_\_ By: (Initials) \_\_\_\_\_

Seller (initial, date) \_\_\_\_\_ Purchaser (initial, date) \_\_\_\_\_

Seller (initial, date) \_\_\_\_\_ Purchaser (initial, date) \_\_\_\_\_

**ADDENDUM TO MEMBERSHIP REALES CONTRACT  
PURCHASER TO OBTAIN INSTITUTIONAL FINANCING**

Special provisions attached to and hereby made a part thereof, the Contract dated \_\_\_\_\_ on Building/Unit

\_\_\_\_\_ File \_\_\_\_\_, Montgomery Mutual, Inc., also known as \_\_\_\_\_

\_\_\_\_\_, Silver Spring, Maryland 20906,

between \_\_\_\_\_ (Purchasers)

and \_\_\_\_\_ (Sellers).

1. **Institutional Financing.** Purchaser is to place with \_\_\_\_\_ (hereinafter the Lender") a  
(note in the form prescribed by Lender in the approximate amount of \$ \_\_\_\_\_, repayable in monthly installments of  
\$ \_\_\_\_\_ inclusive of interest at the rate of \_\_\_\_\_ percent (\_\_\_\_\_% ) per annum. Purchaser placing financing agrees  
to make application thereof within seven (7) calendar days of the final ratification of this Contract and agrees to promptly file any supplemental  
information or papers later requested by the Lender and agrees that failure to comply with the terms of this provision shall give the Seller the  
right to declare the deposit forfeited or avail himself of any legal or equitable rights as provided in the paragraph of the Membership Resales  
Contract labeled "FORFEITURE OF DEPOSIT/LEGAL REMEDIES."

2. **Institutional Financing Contingency.** This Contract is contingent on the ability of Purchaser to secure or receive a firm, written  
commitment for the herein described institutional financing, and furnish evidence of commitment or approval to one of Seller's agents within  
\_\_\_\_\_ (\_\_\_\_\_) calendar days of final ratification of this Contract ("Specified Time Period"), which  
commitment Purchaser agrees to pursue diligently. Purchaser reserves the right to increase the cash down payment and/or accept a modified  
commitment for financing and shall so notify one of the Seller's agents in writing within the terms of this contingency. In the event the  
Purchaser does not obtain the specified financing or increase the cash down payment and/or accept a modified commitment for financing within  
the Specified Time Period, then, at any time after the expiration of the Specified Time Period, but prior to delivery of said notice of commitment  
for financing, Seller may, at its sole option and discretion, by written notice to Purchaser, declare this Contract null and void. In that event, this  
Contract shall become null and void at 8:00 p.m. on the third business day, excluding Saturdays, Sundays and holidays, following Seller's notice  
to Purchaser unless, prior to said date and time: (1) Purchaser delivers to Seller a firm written commitment for financing; or (2) Purchaser  
removes the financing contingency of this Contract and provides Seller with evidence of ability to perform under the terms of this Contract.  
Even if the Seller does not declare the Contract null and void at the end of the Specified Time Period, the Seller reserves the right to do so at a  
later time. If Purchaser satisfies or removes the financing contingency prior to this Contract becoming null and void pursuant to this paragraph,  
this Contract shall remain in full force and effect. It is further understood and agreed that in the event the Purchaser obtains a written rejection  
for the specified Institutional Financing and delivers a copy of said rejection to one of Seller's Agents, this Contract shall become null and void.  
In the event this Contract becomes null and void pursuant to this paragraph, Purchaser's deposit shall be refunded pursuant to paragraph 13 of the  
Membership Resales Contract. By accepting a loan commitment which bears an interest rate or loan amount other than the rate or loan amount  
designated in the paragraph above, the financing contingency contained herein shall be deemed satisfied, and Purchaser hereby waives any rights  
which Purchaser may have to declare this Contract null and void for failure to obtain acceptable financing. **TIME IS OF THE ESSENCE  
WITH REGARD TO THIS PARAGRAPH.**

3. In addition to any requirements for information and/or documentation required by the Institutional Lender, Purchaser is still bound by  
paragraph 8 of the Membership Resales Contract, and will supply to Montgomery Mutual, Inc. any information and/or documentation and/or  
charges required to obtain approval by Corporation of Purchaser as a transferee.

4. **Settlement.** Settlement shall take place at the offices of the Settlement Agent specified by Lender and approved by Montgomery  
Mutual, Inc. on the date specified in paragraph 3(b) of Membership Resales Contract, or another date agreed to in writing by Seller and  
Purchaser.

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date