

Jointly prepared by the Real Property Section of the New York State Bar Association, the New York State Land Title Association, the Committee on Real Property Law of the Association of the Bar of the City of New York and the Committee on Real Property Law of the New York County Lawyers' Association.

NOTE: Changes to form contract are in BOLD type.

WARNING:

NO REPRESENTATION IS MADE THAT THIS FORM OF CONTRACT FOR THE SALE AND PURCHASE OF REAL ESTATE COMPLIES WITH SECTION 5-702 OF THE GENERAL OBLIGATIONS LAW ("PLAIN LANGUAGE").

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT

NOTE: FIRE AND CASUALTY LOSSES AND CONDEMNATION

This contract form does not provide for what happens in the event of fire, or other casualty loss or condemnation before the title closing. Unless different provision is made in this contract, Section 5-1311 of the General Obligations Law will apply. One part of that law makes a Purchaser responsible for fire and casualty loss upon taking possession of the Premises before the title closing.

Residential Contract of Sale

Contract of Sale made as of 2020, BETWEEN

Stephen Trueman, Trustee of the Allen K. Trueman Irrevocable Trust

Address: **31 Cayuga Ave, South Setauket, NY 11720**

Social Security Number/Fed. I.D. No(s): hereinafter called "Seller" and

Linying Meng

Address: 139-55 35 Ave; Apt 3A, Flushing, NY 11354

Social Security Number/Fed. I.D. No(s): hereinafter called "Purchaser".

The parties hereby agree as follows:

1. Seller shall sell and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A", annexed hereto and made a part hereof and also known as:

PREMISES:

Street Address: **31 Cayuga Ave, So. Setauket, NY**

Tax Map Designation: **District: 0200 Section: 365.00**
 Block: 02.00 Lot(s): 010.000

Together with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, opened or proposed, adjoining the Premises to the center line thereof, including any right of Seller

to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages.

2. This sale also includes all fixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, mantels, door mirrors, switch plates and door hardware, venetian blinds, window treatments, shades, screens, awnings, storm windows, storm doors, window boxes, mail box, TV-aerials, weather-vane, flagpole, pumps, shrubbery, fencing, outdoor-statuary, tool shed, dishwasher, washing machine, clothes dryer, garbage-disposal-unit, range, 2 oven, built-in microwave-oven, 2 refrigerator, freezer, air conditioning equipment and installations, wall to wall carpeting and built-ins not excluded below, *(strike out inapplicable items)*. All "AS IS" EXISTING ON THE PREMISES.

Excluded from this sale are furniture and household furnishings

3. The purchase price is **\$ 398,000.00**

payable as follows:

(a) On the signing of this contract, by Purchaser's good check payable to the Escrowee (as hereinafter defined), subject to collection, the receipt of which is hereby acknowledged, to be held in escrow pursuant to paragraph 6 of this contract (the "Downpayment"): **\$ 39,800.00**

(b) By allowance for the principal amount unpaid on the existing mortgage on the date hereof, payment of which Purchaser shall assume by joinder in the deed: **0.00**

(c) By "Seller's Concession" towards Purchaser's actual, lender approved, closing costs and loan "pre-pays" that are contractually or lawfully due from Purchaser. In the event lender's appraisal is less than the stated purchase price, Purchaser agrees to accept said appraisal provided it is greater than the stated purchase price less the stated seller's concession. In this event, the purchase price and seller's concession shall each be proportionately reduced so that the net purchase price shall remain the same. Purchaser shall pay the transfer tax on this portion of the purchase price: **0.00**

(d) Balance at Closing in accordance with paragraph 7: **\$ 358,200.00**

4. **EXISTING MORTGAGE - THIS PARAGRAPH INTENTIONALLY DELETED**

5. **PURCHASE MONEY MORTGAGE - THIS PARAGRAPH INTENTIONALLY DELETED**

6. (a) Seller's attorney ("Escrowee") shall hold the Downpayment in escrow in a segregated IOLA bank account at **BRIDGEHAMPTON NATIONAL BANK, 414 East Main Street, Port Jefferson, New York, 11777**, until Closing or sooner termination of this contract and shall pay over or apply the Downpayment in accordance with the terms of this paragraph. Escrowee shall hold the Downpayment in an IOLA interest-bearing account for the benefit of the parties. If interest is held for the benefit of the parties, it shall be paid to the party entitled to the Downpayment and the party receiving the interest shall pay any income taxes thereon. If interest is not held for the benefit of the parties, the Downpayment shall be placed in an IOLA account or as otherwise permitted or required by law. The Social Security or Federal Identification numbers of the parties shall be furnished to Escrowee upon request. At Closing, the Downpayment shall be paid by Escrowee to Seller. If for any reason Closing does not occur and either party gives Notice (as defined in paragraph 25) to Escrowee demanding payment of the Downpayment, Escrowee shall give prompt Notice to the other party of such demand. If Escrowee does not receive Notice of objection from such other party to the proposed payment within 10 business days after the giving of such Notice, Escrowee is hereby authorized and directed to make such payment. If Escrowee does receive such Notice of objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by Notice from the parties to this contract or a final, nonappealable judgment, order or decree of a court. However, Escrowee shall have the right at any time to deposit the Downpayment and the interest thereon with the clerk of a court in the county in which the Premises are located and shall give Notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowee shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee. Seller and Purchaser jointly and severally (with right of contribution) agree to defend (by attorneys selected by Escrowee), indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowee may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from action upon the advice of such counsel.

(d) Escrowee acknowledges receipt of the Downpayment by check subject to collection and Escrowee's agreement to the provisions of this paragraph by signing in the place indicated on the signature page of this contract.

(e) Escrowee or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and continues to act as Escrowee.

(f) The party whose attorney is Escrowee shall be liable for loss of the Downpayment.

(g) In the event the check given as the down payment hereunder is dishonored for any reason, then the Seller, in addition to any other rights and remedies, may declare this Contract null and void and thereafter the Seller shall be relieved from any obligations hereunder.

7. All money payable under this contract, unless otherwise specified, shall be paid by:

(a) Cash, but not over \$ 500.00;

(b) Good certified check of Purchaser drawn on or official check issued by any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York, unendorsed and payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;

(c) As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of **\$500.00**; and

(d) As otherwise agreed to in writing by Seller or Seller's attorney.

8. MORTGAGE CONTINGENCY CLAUSE

(a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before Forty-Five (45) days after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney in the manner set forth in paragraph 25 or subparagraph 8(j) (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, ~~other than a VA, FHA or other governmentally insured loan~~, to Purchaser, at Purchaser's sole cost and expense, of **\$ 276,500.00** for a term of 25/30 years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 8(e) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan ~~for any reason because~~ **of Purchaser's improper or bad faith actions.**

(b) Purchaser shall (i) make PROMPT, TRUTHFUL AND DILIGENT application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 8(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt thereof.

(c) *(Delete this subparagraph if inapplicable)* Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the terms and conditions set forth in subparagraph 8(b)(i), provided that such Mortgage Broker promptly submits such application to

such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such Institutional Lender(s).

(d) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has complied with all its obligations under this paragraph 8.

(e) **If through no fault of the Purchaser** no Commitment is issued by an Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), **either party** may cancel this contract by giving Notice to **the other** after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this paragraph 8.

(f) If this contract is canceled by Purchaser pursuant to subparagraphs 8(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser ~~and except as set forth in paragraph 27.~~

(g) ~~If Purchaser fails to give timely Notice of cancellation or if Purchaser~~ accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph 8.

(h) If Seller has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser ~~within 5 business days~~ after the Commitment Date ~~which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller first within 10 business days after the Commitment Date.~~ After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 8) ~~and except as set forth in paragraph 27.~~

(i) For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

~~(j) For purposes of subparagraph 8(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid.~~

(k) In the event Purchaser applies for a mortgage in the amount permitted by this Contract and is thereafter approved for a mortgage loan in a lesser amount, Seller shall have the sole option of reducing the Purchase Price herein by an amount which is equal to the difference between the amount of the mortgage originally specified herein and the amount of the mortgage approved by the Institutional Lender. If Seller elects to exercise this option, notice of same shall be sent to Purchaser's attorney within ten (10) days of notification by Purchaser of mortgage approval. If Seller agrees to so reduce the Purchase Price, Purchaser agrees to consummate this Contract in accordance with all other terms and provisions hereof.

9. The Premises are sold and shall be conveyed subject to:

(a) Zoning and subdivision laws and regulations, and landmark, historic or wetlands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;

(b) Consents for the erection of any structures on, under or above any streets on which the Premises abut;

(c) Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway;

(d) Real estate taxes that are a lien, but are not yet due and payable; and

(e) The other matters, if any, including a survey exception, set forth in a Rider attached.

(f) Any state of facts an accurate survey might show, provided title is not rendered unmarketable or uninsurable thereby;

(g) Covenants, restrictions and utility easements of record, if any, provided same are not violated by the existing structures or use thereof, as represented herein, or if violated by the existing structures, the Purchaser will accept title subject thereto if the title company insuring the Purchaser's title will insure, without additional premium, that the structure(s) may remain thereon without interference so long as said structure(s) shall stand and provided further that same is acceptable to Purchaser's lending institution.

(h) If waterfront property, variations in distances to mean high water.

(i) In the event there is an "Out of Possession" claim, Seller shall use reasonable efforts to remedy it. This shall include Seller's right to obtain a "Boundary Line Agreement" satisfactory to Purchaser's title company or remove any offending structures. If there shall be a cost in excess of \$1,000.00 to remove such objection, Seller may cancel this contract subject to Purchaser's right to accept title to the premises with such objection without reduction of the purchase price. In the event of cancellation, the sole liability of the Sellers will be to refund to the Purchasers the amount paid on account of the purchase price together with the expenses set forth in paragraph 21(c) and upon such refund and payment, this contract shall be cancelled.

(j) Any variance between record lines and any fences, hedges and the like surrounding the premises, provided same does not render title unmarketable, and further provided same are under 1.0 feet.

GOVERNMENTAL
VIOLATIONS
AND ORDERS:

10. (a) Seller shall comply with all notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued as of the date of closing by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing. Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose these matters. **Anything to the contrary herein notwithstanding, if there are any violations against the premises, Seller shall not be obligated to expend any money in excess of \$1,000.00 to remove such violations. If there shall be a cost in excess of \$1,000.00 to remove such violations, Seller may cancel this contract subject to Purchaser's right to accept title to the premises with such violations outstanding without reduction of the purchase price. In the event of cancellation, the sole liability of the Sellers will be to refund to the Purchasers the amount paid on account of the purchase price together with the expenses set forth in paragraph 21(c) and upon such refund and payment, this contract shall be cancelled.**

~~(b) (Delete if inapplicable) All obligations affecting the Premises pursuant to the Administrative Code of the City of New York incurred prior to Closing and payable in money shall be discharged by Seller at or prior to Closing.~~

11. (a) Seller represents and warrants to Purchaser that:

(i) The Premises abut or have a right of access to a public road;

(ii) Seller is the sole owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;

(iii) Seller is not a "foreign person", as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA");

~~(iv) The Premises are not affected by any exemptions or abatements of taxes; and~~

(v) Seller has been known by no other name for the past ten years, except (b) Seller covenants and warrants that all of the representations and warranties set forth in this contract shall be true and correct at Closing.

(c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other obligations contained in this contract shall survive Closing.

12. Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of Closing **or delivery of possession, if later**, (except as otherwise set forth in paragraph 16(e)), without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.

CONDITION OF
PROPERTY

13. Seller shall give and Purchaser shall accept such **marketable title as a reputable title company licensed to do business in the State of New York** shall be willing to approve and insure in accordance with its standard form of title policy approved by the New York State Insurance Department, subject only to the matters provided for in this contract.

14. (a) **"Closing" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Seller, and the delivery to Purchaser of a Bargain and Sale Deed with Covenants Against Grantor's Acts** in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by subd. 5 of Section 13 of the Lien Law.

(b) If Seller is a corporation, it shall deliver to Purchaser at the time of Closing (i) a resolution of its Board of Directors authorizing the sale and delivery of the deed, and (ii) a certificate by the Secretary or Assistant Secretary of the corporation certifying such resolution and setting forth facts showing that the transfer is in conformity with the requirements of Section 909 of the Business Corporation Law. The deed in such case shall contain a recital sufficient to establish compliance with that Section.

15. Closing shall take place at the office of **SELLERS' ATTORNEY'S OFFICE** at **TBD** o'clock on **or about August 30, 2020** or, upon reasonable notice (by telephone or otherwise) by Purchaser, at the office of **purchaser's institutional lender**.

In the event this transaction is subject to the approval of a mortgage loan, it is agreed that in the event the Purchaser's time to obtain a mortgage loan commitment is extended beyond the date provided for herein, the Seller shall have the option to extend the Closing Date set forth above by a length of time equal to the time in between that date provided herein for the issuance of a mortgage commitment and the date on which counsel for Purchaser shall transmit, via facsimile or regular mail, a copy of the mortgage loan commitment to counsel for Seller.

16. This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:

(a) The accuracy, as of the date of Closing, of the representations and warranties of Seller made in this contract.

(b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property authorizing their use as a **one (1) family dwelling** at the date of Closing; **provided Purchaser supplies to Seller an updated survey if required by the appropriate municipal authority. If the premises were constructed before the issuance of Certificates of Occupancy, Seller shall provide an appropriate "letter in lieu" from the appropriate municipal authority. This provision shall not apply to above-ground pools, decks, gazebos, generator(s), air conditioning equipment, wood stove, finished basement, stoops, retaining walls, roof "overhangs", fences or sheds which may be removed by Seller without abatement or reduction of the purchase price if same are an impediment to closing. If Seller is unable to deliver any Certificates of Occupancy or municipal letters required hereunder or if the cost to do so exceeds the total sum of \$1,000.00, Seller shall have the option to cancel this Contract pursuant to paragraph 21(c) herein.**

(c) The delivery by Seller to Purchaser of a certificate stating that Seller is not a foreign

person, which certificate shall be in the form then required by FIRPTA or a withholding certificate from the I.R.S. If Seller fails to deliver the aforesaid certificate or if Purchaser is not entitled under FIRPTA to rely on such certificate, Purchaser shall deduct and withhold from the purchase price a sum equal to 10% thereof (or any lesser amount permitted by law) and shall at Closing remit the withheld amount with the required forms to the Internal Revenue Service.

(d) The delivery of the Premises and all building(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenancies, together with keys to the Premises.

(e) All plumbing (including water supply and septic systems, **in-ground sprinklers**, if any), heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the building(s) located on the property and all appliances which are included in this sale being in working order **and the roof free from leaks** as of the date of Closing **or delivery of possession, if later. The cost to repair or replace any given appliance shall be limited to the sum of \$150.00.**

(f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.

(g) The delivery by the parties of any other affidavits required as a condition of recording the deed.

17. At Closing, certified or official bank checks payable to the order of the appropriate State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks and returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

18. (a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing **or possession if later pursuant to Paragraph 30:**

(i) taxes, water charges and sewer rents, on the basis of the ~~fiscal~~ **lien** period for which assessed; (ii) fuel; (iii) interest on the existing mortgage; (iv) premiums on existing transferable insurance policies and renewals of those expiring prior to Closing; (v) vault charges; **(vi) rent and rent security as and when collected; (vii) Purchaser's daily (per-diem) Mortgage Note interest in the event Seller retains possession of the premises pursuant to Paragraph 30. All adjustments shall be computed based upon a year consisting of 360 days and each month consisting of 30 days.**

(b) If Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding ~~fiscal~~ **lien** period applied to the latest assessed valuation.

(c) there is a water meter on the Premises, Seller shall furnish a reading to a date not more than 30 days before Closing and the unfixed meter charge and sewer rent, if any, shall be apportioned on the basis of such last reading.

(d) If at the date of Closing the Premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall

be paid by Seller at or prior to Closing.

(e) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following Closing. This subparagraph shall survive Closing.

19. Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid taxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefore computed to said date are produced at Closing.

20. If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash balance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient monies with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises and will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), Purchaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.

21. (a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance by the New York State Insurance Department or any agent for such title company promptly after the execution of this contract ~~or, if this contract is subject to the mortgage contingency set forth in paragraph 8, after a mortgage commitment has been accepted by Purchaser.~~ Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.

(b) (i) If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "Defects"), other than those subject to which Purchaser is obligated to accept title hereunder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close title without abatement of the purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) if Seller elects to take action to remove, remedy or comply with such Defects, Seller shall be entitled from time to time, upon Notice to Purchaser, to adjourn the date for Closing hereunder for a period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing.

(c) If this contract is cancelled pursuant to its terms, other than as a result of Purchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller

shall promptly refund or cause the Escrowee to refund the Downpayment to Purchaser and, unless cancelled as a result of Purchaser's default or pursuant to paragraph 8, to reimburse Purchaser for the net cost of examination of title, including any appropriate additional charges related thereto, and the net cost, if actually paid or incurred by Purchaser, for updating the existing survey of the Premises or of a new survey, and (ii) the obligations under paragraph 27 shall survive the termination of this contract.

(d) If the Seller is unable to convey title in accordance with the terms of this contract for any reason except for default, the Seller's liability shall be limited to the refund of the contract deposit together with the actual cost of the following: the net cost of examining title (not to exceed \$250.00), the net cost of any termite inspection (not to exceed \$100.00) and the net cost of any survey (not to exceed \$500.00) provided Purchaser delivers an original survey print to Seller.

22. If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.

23. (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's **willful** default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty

(b) If Seller defaults hereunder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.

24. All money paid on account of this contract, and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this contract.

Anything to the contrary notwithstanding, the Escrowee may "deposit" with the clerk of a court (pursuant to ¶ 6, supra) the Downpayment and any additional sum necessary to insure that Purchaser is fully reimbursed for expenses incurred for title examination, survey and survey inspection.

Except upon Purchaser's demand for Specific Performance or other claim by Purchaser that would affect title, possession, use or enjoyment of these Premises, said "Purchaser's Lien" shall not constitute a lien, encumbrance, defect or cloud upon title to these Premises and upon "deposit" of the aforesaid sums, said "Purchaser's Lien" shall have no further force or effect herein. In the event Purchaser thereafter causes a Notice of Pendency to be filed and recorded against these Premises in violation hereof, Seller shall be entitled to immediate judicial relief canceling and removing said Notice of Pendency of record. The prevailing party shall also be entitled to any damages, together with reasonable attorney's fees, costs, disbursements and expenses, occasioned thereby.

25. Any notice or other communication ("Notice") shall be in writing and either (a) Sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowee, by ~~registered or certified~~ mail, postage prepaid, **or by facsimile transmission**, or

(b) Delivered in person or by overnight courier, with receipt acknowledged, to the respective addresses given in this contract for the party and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall

be deemed given on the third business day following the date of mailing the same, except that any notice to Escrowee shall be deemed given only upon receipt by Escrowee and each Notice delivered in person or by overnight courier shall be deemed given when delivered, or

(c) With respect to paragraph 7(b) or paragraph 20, sent by fax to the party's attorney. Each Notice by fax shall be deemed given when transmission is confirmed by the sender's fax machine. A copy of each Notice sent to a party shall also be sent to the party's attorney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries.

26. This contract may not be **recorded or** assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.

27. Seller and Purchaser each represents and warrants to the other that it has not dealt with any broker in connection with this sale other than

Modern Realty and Management, Ltd

("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser shall indemnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive Closing or, if Closing does not occur, the termination of this contract.

28. (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.

(b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this contract.

(c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.

(d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.

(e) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

(f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This Subparagraph shall survive Closing.

(g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent and purpose of this contract. This subparagraph shall survive Closing.

(h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.

(i) If applicable, the complete and fully executed disclosure of information on lead-based paint and/or lead-based paint hazards is attached hereto and made a part hereof.

ADDITIONAL CONTRACT PROVISIONS

29. All time limitations set forth herein shall commence on the date that Purchaser's attorney receives a fully executed Contract or three (3) days after the Contract is mailed to Purchaser's attorney by Seller's attorney, whichever is earlier.

30. Seller shall have the option of remaining in possession of the Premises for a period not to exceed five (5) days following closing of title. Seller's attorney shall retain the sum of \$1,000.00 in escrow to guarantee delivery of the premises within five (5) days after closing. The Premises shall be delivered to Purchaser within said five (5) day period, vacant and broom clean, and Seller shall comply with all representations and obligations contained herein regarding the condition of the Premises. In the event Seller remains in possession after closing, all adjustments (including Purchaser's mortgage per-diem interest pursuant to Paragraph 18) shall be apportioned as of midnight of the day before the day possession to the Premises is delivered to Purchaser. Seller shall pay to the Purchaser the sum of \$100.00 per day, together with the adjustments set forth in Paragraph 18, for each day the Seller remains in possession after said five (5) day period as liquidated damages and not as a penalty; it being further understood and agreed that retention of possession beyond said five (5) day period shall not deprive the Purchaser of any other legal or equitable remedies. No Landlord-Tenant relationship shall be created or claimed by any party as a result hereof. The escrow deposit shall further insure Seller's compliance with the representations contained herein should Seller elect to remain in possession after closing. Seller's liability hereunder shall not be limited to the escrow sum held by Seller's attorney. Seller's attorney shall be authorized and directed to release the escrow funds unless written or facsimile notice to the contrary is received within two (2) business days after delivery of possession to Purchaser. Notwithstanding anything contained herein and absent an express writing to the contrary, the Escrowee shall deliver all escrow funds to Seller if Purchaser does not commence an action at law or equity within sixty (60) days from the date that possession was delivered to Purchaser. Proof of the commencement of such action, including the assigned Index Number and Affidavit of Service on Seller, shall be served upon the Escrowee not later than two (2) business days after the expiration of said sixty (60) day period.

31. Purchaser shall have the opportunity to procure, at buyer's own cost and expense, a satisfactory termite inspection report within fifteen (15) days from the date Purchaser's attorney receives [pursuant to ¶ 29, supra] a fully executed Contract of Sale. In the event that said inspection indicates evidence of live termite or other wood destroying insect infestation and/or damage therefrom, Purchaser shall notify Seller's attorney of such fact by written or facsimile notice within five (5) days after said inspection. In the event due notice is timely given hereunder, the Seller shall have the option of remedying such condition or the Seller may cancel this Contract by refunding the contract downpayment deposited hereunder. Upon such refund, neither party shall have any further claim against the other. In the event Seller elects to remedy said condition, Seller

agrees to deliver to the Purchaser, on or before closing of title, a written statement from a reputable and licensed exterminator that such live insect infestation has been properly treated, together with a one (1) year guarantee therefore, and that any structural damage caused thereby has been repaired. If Seller elects to cancel this Contract, Purchaser shall have the option to proceed with this sale despite Seller's election to not remedy any insect infestation or repair any damage therefrom.

32. **F.H.A. Mortgage. - THIS PARAGRAPH INTENTIONALLY DELETED**

33. **V.A. Mortgage. - THIS PARAGRAPH INTENTIONALLY DELETED**

34. The acceptance of the deed by Purchaser shall be deemed full performance and discharge of every agreement and obligation on the part of the Seller, except those that are specifically stated to survive delivery of the deed. Seller shall extend and comply with all representations and obligations set forth in Paragraphs 12 and 16(e) regarding the condition of the Premises until delivery of possession, if Seller retains possession of the Premises subsequent to Closing pursuant to Paragraph 30.

35. In the event Purchaser chooses a lender that does not close title within the Counties of Suffolk or Nassau, Purchaser shall pay Seller's attorney a \$400.00 travel fee if the closing takes place in Queens County or \$750.00 if the closing takes place in any other county of the City of New York. Seller shall not be required to close beyond the five boroughs of New York City without Seller's express consent.

36. Purchaser shall pay NYS Mansion Tax (Tax Law Section 1402-a) and Peconic Bay Regional Tax, if applicable to this transaction. Seller shall pay NYS Transfer Tax (Tax Law Section 1402).

37. **LEAD PAINT DISCLOSURE.**

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below*):

(i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (*explain*).

(ii) ☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (*Check (i) or (ii) below*):

(i) ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/
or lead-based paint hazards in the housing (*list documents below*)

(ii) ☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (*initial*)

(c) _____ Purchaser has received copies of all information listed above.

(d) _____ Purchaser has received the pamphlet ***Protect Your Family from Lead in Your Home.***

(e) _____ Purchaser has (*check (i) or (ii) below*):

(i) ☐ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection

for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) ☐ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and

or lead-based paint hazards.

Agent's Acknowledgment (*initial*)

(f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to insure compliance.

38. Seller and Purchaser acknowledge that the Property Condition Disclosure Act requires every seller of "residential real property" pursuant to a "real estate purchase contract" to complete and sign a property condition disclosure statement and cause it, or a copy thereof, to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale. **Provided this transaction is not statutorily exempt from the Property Condition Disclosure Act**, if Seller fails to deliver a disclosure statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of Five Hundred (\$500.00) Dollars against the agreed upon purchase price of the residential real property. Purchaser represents they had sufficient opportunity to have an inspection of the Premises performed before execution of this Contract and Purchasers are satisfied with the condition of the Premises.

39. **SHORT SALE. THIS PARAGRAPH INTENTIONALLY LEFT BLANK.**

40. In the event Seller has initiated a tax grievance to reduce the real estate taxes, Purchaser agrees to accept transfer of the application and pay all fees in the event the Grievance is successful and taxes are reduced.

41. This Contract and all riders annexed hereto may be executed simultaneously in multiple counterparts, each of which shall be deemed an original, but all of which when taken together shall

constitute one and the same instrument. Execution and delivery of this Contract by exchange of facsimile copies or electronic transmission bearing the facsimile or electronic signature of a party hereto shall constitute a valid and binding execution and delivery of this Contract by such party. Such facsimile or electronic copies shall be the only method of delivery of fully executed contract and constitute enforceable original documents.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

IN WITNESS WHEREOF, this contract has been duly executed by the parties hereto.

Stephen Trueman, Trustee

Linying Meng
