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Maryland REALTORS®

DISCLOSURE OF INCLUSIONS/EXCLUSIONS, LEASED ITEMS, AND UTILITIES ADDENDUM

UPON EXECUTION BY BUYER AND SELLER, THIS DOCUMENT WILL BECOME AN ADDENDUM TO THE CONTRACT OF SALE

SELLER'S DISCLOSURE made on 09/15/2025 ■ ADDENDUM to Contract of Sale dated _____
between Buyer _____
and Seller Tannery, L.L.C
for Property known as 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157.

1. **INCLUSIONS/EXCLUSIONS.** Included in the purchase price are all permanently attached fixtures, including all smoke detectors (and, carbon monoxide detectors, as applicable). Certain other **now existing items** which may be considered personal property, whether installed or stored upon the property, ***are included if box below is checked***.

[ ] Alarm System	[ ] Exist. W/W Carpet	[ ] Playground Equipment	[ ] TV Antenna
[ ] Ceiling Fan(s) # ___	[ ] Fireplace Screens/Doors	[ ] Pool, Equipment & Cover	[ ] Trash Compactor
[ ] Central Vacuum	[ ] Fireplace Equipment	[ ] Refrigerator(s) # ___	[ ] Wall Mount TV Brackets
[ ] Clothes Dryer	[ ] Freezer	[ ] w/ Ice Maker(s) # ___	[ ] Wall Oven(s) # ___
[ ] Clothes Washer	[ ] Furnace Humidifier	[ ] Satellite Dish	[ ] Water Filter
[ ] Cooktop	[ ] Garage Opener(s) # ___	[ ] Screens	[ ] Water Softener
[ ] Dishwasher	[ ] Garage remote(s) # ___	[ ] Shades/Blinds	[ ] Window A/C Unit(s) # ___
[ ] Drapery/Curtain Rods	[ ] Garbage Disposal	[ ] Storage Shed(s) # ___	[ ] Window Fan(s) # ___
[ ] Draperies/Curtains	[ ] Hot Tub, Equipment & Cover	[ ] Storm Doors	[ ] Wood Stove
[ ] Electronic Air Filter	[ ] Intercom	[ ] Storm Windows	
[ ] Exhaust Fan(s) # ___	[ ] Microwave	[ ] Stove or Range	

ADDITIONAL INCLUSIONS (SPECIFY): _____

ADDITIONAL EXCLUSIONS (SPECIFY): _____

2. **LEASED ITEM(S) INCLUDED:**

[ ] Fuel Tank(s)	[ ] Other _____
[ ] Solar Panels	[ ] Other _____
[ ] Alarm System	[ ] Other _____
[ ] Water Treatment System	[ ] Other _____

ADDITIONAL TERMS AND/OR INFORMATION REGARDING LEASED ITEM(S): _____

3. **UTILITIES:** WATER, SEWAGE, HEATING, AND AIR CONDITIONING **(check all that apply):**

Water Supply	[ ] Public	[X] Well			
Sewage Disposal	[ ] Public	[X] Septic	[ ] Other _____		
Heating	[ ] Gas	[ ] Electric	[X] Oil	[ ] Heat Pump	[ ] Other _____
Hot Water	[ ] Gas	[X] Electric	[ ] Oil		[ ] Other _____
Air Conditioning	[ ] Gas	[ ] Electric			[ ] Other _____

Utility Service Providers: _____

All other terms and conditions of the Contract of Sale remain in full force and effect.

Buyer Signature	**Date**	Signed by: Douglas G. Carroll III, Member **Seller Signature**	9/30/2025 **Date**
Buyer Signature	**Date**	Signed by: Sidney O. Gottlieb, Member **Seller Signature**	10/1/2025 **Date**

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GENERAL ADDENDUM TO CONTRACT OF SALE

(For use with the Maryland Association of REALTORS® residential contract sales form)

Buyer(s): _____

Seller(s): Tannery, L.L.C

Property: 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157

1. LEGAL REQUIREMENT: A Contract for the sale of real property is required to be in writing to be enforceable under the laws of the State of Maryland. Once signed by the parties, the Contract becomes a legally binding agreement. The original terms of the Contract can only be altered thereafter with the agreement of the parties expressed in writing. All parties have the right to be represented by an attorney and are encouraged to seek competent advice if they do not understand any term(s) of the Contract. The broker/agent is required to promptly submit all written Contract offers to the Seller.

2. INTENDED USE: The use of a particular property may be limited or restricted as a result of zoning laws, local ordinances and/or restrictive covenants applicable to the property. The Contract of Sale form provided by the broker/agent is designed and intended for use only in the purchase and sale of single family residences or unimproved residential property. If Buyer intends to use a property for any other purpose, the standard Contract of Sale form may not adequately serve to protect Buyer's interests without the addition of an appropriate clause or addendum conditioning the Contract offer upon a determination that Buyer's intended use of the Property will be permitted.

3. COVENANTS AND RESTRICTIONS: A majority of homes, whether new or re-sale, located in a subdivision are subject to certain restrictions applicable to the use of the Property as well as the construction of certain improvements to the Property referred to as covenants. In the case of Property subject to a Homeowners Association or Condominium Association, the covenants are contained in a Declaration of Covenants and Restrictions as well as the Bylaws of the Association. However, other properties may be subject to covenants as part of a **voluntary** Community Association or even with no association. **Seller Acknowledges:**

The property _____/_____ IS, or DGLM / SDGM IS NOT, part of a recorded subdivision with restrictive covenants.

AND

The property _____/_____ IS, or DGLM / SDGM IS NOT, part of a **voluntary** Community Association.

Current voluntary fees or assessments for the community association are $_____ Annually/Quarterly/Monthly (circle one)

Name of Association _____

Address _____

Contact _____ Phone _____ Email _____

OR

The Seller is unaware of the property as being part of any restrictive covenants or **voluntary** community associations.

_____/_____ Seller Initials

DGLM SDGM

4. PRIVATE AGREEMENTS: Some Property may be subject to agreements, covenants or restrictions relating to the cost of certain maintenance items, restricting the use of properties or dealing with other matters. For example, properties sharing a driveway are often subject to such agreements. These private agreements do not fall within the required disclosures of HOA or condominium laws and may or may not be recorded. Buyer should make inquiries of Seller prior to or at the time of contract.

5. EQUAL HOUSING OPPORTUNITY: A REALTOR is required by federal, state and local law, and the Code of Ethics of the National Association of REALTORS to treat all parties in a non-discriminatory manner without regard to race, color, religion, sex, familial status, national origin, marital status, sexual orientation, gender identity, disability, source of income, or other protected classifications under Fair Housing Laws.

6. SETTLEMENT: All persons to be in title and/or responsible where a mortgage is to be created should be present at the time of settlement and may be required to provide proper identification. Buyer should establish gas, electric and water service in Buyer's name commencing the day of settlement. Buyer should be prepared at the time of settlement to pay the settlement costs and the balance due under the Contract. Buyer must provide for amounts to be paid at settlement in acceptable form (cash, wired funds, bank check or certified check) to meet title company guidelines. In some cases, Seller may be required to provide funds in

excess of any sales proceeds in order for settlement to occur, in which event, Seller also should be prepared to make payment in an approved form. Any party uncertain of the amount required at settlement, or approved methods to pay, should make inquiry of the title company or settlement attorney prior to settlement.

7. MORTGAGE REQUIREMENTS: Buyer acknowledges that, as a condition of obtaining a mortgage loan, lenders may require proof of hazard insurance coverage and may also require flood insurance coverage. Depending upon the type of mortgage applied for by Buyer, lenders may require certain certifications that relate to a Property or require inspections/appraisals that certify that a Property is free of specific hazards or conditions.

8. BWI AIRPORT NOTICE: Some properties may be located in the Baltimore/Washington International Airport Noise Zone. A Buyer desiring to obtain a copy of Noise Zone Maps may do so by calling the Office of Noise, Real Estate and Land Use Compatibility at 410-859-7375 or visit https://marylandaviation.com/environmental/bwi-marshall-noise-zone/ for more information. Information regarding the location of other airports and their operations may be obtained by calling the local zoning office for the area in which the Property is located.

9. ENVIRONMENTAL CONSIDERATIONS; HAZARDOUS MATERIALS: There are many hazardous materials that could affect a Property. The Brokers and their agents will generally have no knowledge of these hazardous materials and do not have the technical expertise to ascertain or advise you of the presence or significance of these hazardous materials. Buyer has the right to request, as a condition of an offer and, subject to acceptance by the Seller, the employment of a specialist of Buyer's choice to provide an analysis of hazardous materials which may be present.

Hazardous materials inside a property can include, but are not limited to, fire retardant treated plywood (FRT), asbestos, aluminum wiring, radon, polybutylene pipe (PB), lead paint, petroleum products, lawn and garden chemicals and indoor air pollutants that can accumulate. Hazardous materials outside the 2 home can include, but are limited to, those found in contaminated land, water, landfills and other disposal sites, industrial air and water emissions, radiation from high tension wires, and those which may be present in underground storage tanks. For additional information pertaining to these materials is available from the Maryland Department of the Environment (MDE) at (410) 537-3000.

Additional information regarding FRT plywood is available from the National Association of Homebuilders at (800) 368-5242.

For additional information regarding Radon buyer can contact the Center for Radiological Health at the MDE at (410) 537-3000 or visit **https://mde.maryland.gov/programs/air/radiologicalhealth/pages/radon.aspx** for further information.

For additional information regarding asbestos buyer can contact the MDE at (410) 537-3000 or visit **https://mde.maryland.gov/programs/air/asbestos/pages/factsaboutasbestos.aspxv** for further information.

Buyer_____ Date_____

Buyer_____ Date_____

Signed by:
Seller Douglas G. Carroll III, Member Date 9/30/2025
9DD3B72527DD4E6...

Signed by:
Seller Sidney O. Gottlieb, Member Date 10/1/2025
65DD1B491950486...

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REVISED 03/2025

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Maryland REALTORS®

NOTICE TO BUYER AND SELLER OF BUYER'S RIGHTS AND SELLER'S OBLIGATIONS UNDER MARYLAND'S SINGLE FAMILY RESIDENTIAL PROPERTY CONDITION DISCLOSURE LAW

ADDENDUM dated _____ to the Contract of Sale between Buyer _____ and Seller Tannery, L.L.C for Property known as 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157.

NOTE: This notice does not apply to: (1) the initial sale of single family residential 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 installments 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 buyer, on or before entering into a contract of sale, on a form 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, including latent defects, of which the seller has actual knowledge;
(ix) Whether the required permits were obtained for any improvements made to the property;
(x) Whether the smoke alarms:
1. will provide an alarm in the event of a power outage;
2. are over 10 years old; and
3. if battery operated, are sealed, tamper resistant units incorporating a silence/hush button and use long-life batteries as required in all Maryland homes by 2018; and
(xi) If the property relies on the combustion of a fossil fuel for heat, ventilation, hot water, or clothes dryer operation, whether a carbon monoxide alarm is installed on the property.

"Latent defects" under Section 10-702 means material defects in real property or an improvement to real property that:

(i) A buyer 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 buyer or an occupant of the property, including a tenant or invitee of the buyer;

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 buyer 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.

Jonathan Schmitt
Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 Phone: (410) 329-9898 Fax: www.lwolf.com
2023 KRPB Listing

At the time the disclosure or disclaimer statement is delivered to you ("the buyer"), 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 buyer 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 buyer 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 5 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 5 day period.

Your rights as a buyer under Section 10-702 may not be waived in the contract and any attempted waiver is void. Your rights as the buyer 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 sales person, 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, inaccuracy or omission in the disclosure statement if the error, inaccuracy 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) or (j).

You may wish to obtain professional advice about the property or obtain an inspection of the property.

The undersigned buyer(s) and seller(s) acknowledge receipt of this notice on the date indicated below and acknowledge that the real estate licensee(s) named below have informed the buyer(s) and the seller(s) of the buyer(s)' rights and the seller(s)' obligations under Section 10-702.

Buyer's Signature	Date	Signed by: Douglas G. Carroll III, Member	9/30/2025
		Seller's Signature	Date
Buyer's Signature	Date	Signed by: Sidney O. Gottlieb, Member	10/1/2025
		Seller's Signature	Date
Agent's Signature	Date	Signed by: Jonathan Schmitt, Broker	9/15/2025
		Agent's Signature	Date

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MARYLAND RESIDENTIAL PROPERTY DISCLOSURE AND DISCLAIMER STATEMENT

Property Address: 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157

Legal Description: _____

NOTICE TO SELLER AND PURCHASER

Section 10-702 of the Real Property Article, *Annotated Code of Maryland*, requires the seller of certain residential real property to furnish to the purchaser either (a) a RESIDENTIAL PROPERTY DISCLAIMER STATEMENT stating that the seller is selling the property "as is" and makes no representations or warranties as to the condition of the property or any improvements on the real property, except as otherwise provided in the contract of sale, or in a listing of latent defects; or (b) a RESIDENTIAL PROPERTY DISCLOSURE STATEMENT disclosing defects or other information about the condition of the real property actually known by the seller. Certain transfers of residential property are excluded from this requirement (see the exemptions listed below).

10-702. EXEMPTIONS. The following are specifically excluded from the provisions of §10-702:

1. The initial sale of single family residential real property:
   A. that has never been occupied; or
   B. for which a certificate of occupancy has been issued within 1 year before the seller and buyer enter into a contract of sale;
2. A transfer that is exempt from the transfer tax under §13-207 of the Tax-Property Article, except land installment contracts of sales under §13-207(a) (11) of the Tax-Property Article and options to purchase real property under §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 use other than residential use or to be demolished; or
7. A sale of unimproved real property.

Section 10-702 also requires the seller to disclose information about latent defects in the property that the seller has actual knowledge of. The seller must provide this information even if selling the property "as is." "Latent defects" are defined as: Material defects in real property or an improvement to real property that:

(1) A purchaser would not reasonably be expected to ascertain or observe by a careful visual inspection of the real property; and
(2) Would pose a direct threat to the health or safety of:
   (i) the purchaser; or
   (ii) an occupant of the real property, including a tenant or invitee of the purchaser.

MARYLAND RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

NOTICE TO SELLERS: Complete and sign this statement only if you elect to disclose defects, including latent defects, or other information about the condition of the property actually known by you; otherwise, sign the Residential Property Disclaimer Statement. You may wish to obtain professional advice or inspections of the property; however, you are not required to undertake or provide any independent investigation or inspection of the property in order to make the disclosure set forth below. The disclosure is based on your personal knowledge of the condition of the property at the time of the signing of this statement.

NOTICE TO PURCHASERS: The information provided is the representation of the Sellers and is based upon the actual knowledge of Sellers as of the date noted. Disclosure by the Sellers is not a substitute for an inspection by an independent home inspection company, and you may wish to obtain such an inspection. The information contained in this statement is not a warranty by the Sellers as to the condition of the property of which the Sellers have no knowledge or other conditions of which the Sellers have no actual knowledge.

How long have you owned the property? _____

Property System: Water, Sewage, Heating & Air Conditioning (Answer all that apply)

Water Supply	[ ] Public	[ ] Well	[ ] Other _____			
Sewage Disposal	[ ] Public	[ ] Septic System approved for _____ (# of bedrooms) **Other Type** _____				
Garbage Disposal	[ ] Yes	[ ] No				
Dishwasher	[ ] Yes	[ ] No				
Heating	[ ] Oil	[ ] Natural Gas	[ ] Electric	[ ] Heat Pump Age _____	[ ] Other _____	
Air Conditioning	[ ] Oil	[ ] Natural Gas	[ ] Electric	[ ] Heat Pump Age _____	[ ] Other _____	
Hot Water	[ ] Oil	[ ] Natural Gas	[ ] Electric Capacity _____	Age _____	[ ] Other _____	

Please indicate your actual knowledge with respect to the following:

1. Foundation: Any settlement or other problems? [ ] Yes [ ] No [ ] Unknown
Comments: _____

2. Basement: Any leaks or evidence of moisture? [ ] Yes [ ] No [ ] Unknown [ ] Does Not Apply
Comments: _____

3. Roof: Any leaks or evidence of moisture? [ ] Yes [ ] No [ ] Unknown
Type of Roof: _____ Age _____
Comments: _____
Is there any existing fire retardant treated plywood? [ ] Yes [ ] No [ ] Unknown
Comments: _____

4. Other Structural Systems, including exterior walls and floors:
Comments: _____
Any defects (structural or otherwise)? [ ] Yes [ ] No [ ] Unknown
Comments: _____

5. Plumbing system: Is the system in operating condition? [ ] Yes [ ] No [ ] Unknown
Comments: _____

6. Heating Systems: Is heat supplied to all finished rooms? [ ] Yes [ ] No [ ] Unknown
Comments: _____
Is the system in operating condition? [ ] Yes [ ] No [ ] Unknown
Comments: _____

7. Air Conditioning System: Is cooling supplied to all finished rooms? [ ] Yes [ ] No [ ] Unknown [ ] Does Not Apply
Comments: _____
Is the system in operating condition? [ ] Yes [ ] No [ ] Unknown [ ] Does Not Apply
Comments: _____

8. Electric Systems: Are there any problems with electrical fuses, circuit breakers, outlets or wiring?
[ ] Yes [ ] No [ ] Unknown
Comments: _____

8A. Will the smoke alarms provide an alarm in the event of a power outage? [ ] Yes [ ] No
Are the smoke alarms over 10 years old? [ ] Yes [ ] No
If the smoke alarms are battery operated, are they sealed, tamper resistant units incorporating a silence/hush button, which use long-life batteries as required in all Maryland Homes by 2018? [ ] Yes [ ] No
Comments: _____

9. Septic Systems: Is the septic system functioning properly? [ ] Yes [ ] No [ ] Unknown [ ] Does Not Apply
When was the system last pumped? Date _____ [ ] Unknown
Comments: _____

10. Water Supply: Any problem with water supply? [ ] Yes [ ] No [ ] Unknown
Comments: _____
Home water treatment system: [ ] Yes [ ] No [ ] Unknown
Comments: _____
Fire sprinkler system: [ ] Yes [ ] No [ ] Unknown [ ] Does Not Apply
Comments: _____
Are the systems in operating condition? [ ] Yes [ ] No [ ] Unknown
Comments: _____

11. Insulation:
In exterior walls? [ ] Yes [ ] No [ ] Unknown
In ceiling/attic? [ ] Yes [ ] No [ ] Unknown
In any other areas? [ ] Yes [ ] No Where? _____
Comments: _____

12. Exterior Drainage: Does water stand on the property for more than 24 hours after a heavy rain?
[ ] Yes [ ] No [ ] Unknown
Comments: _____
Are gutters and downspouts in good repair? [ ] Yes [ ] No [ ] Unknown
Comments: _____

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13. Wood-destroying insects: Any infestation and/or prior damage? [ ] Yes [ ] No [ ] Unknown
Comments: _____
Any treatments or repairs? [ ] Yes [ ] No [ ] Unknown
Any warranties? [ ] Yes [ ] No [ ] Unknown
Comments: _____

14. Are there any hazardous or regulated materials (including, but not limited to, licensed landfills, asbestos, radon gas, lead-based paint, underground storage tanks, or other contamination) on the property? [ ] Yes [ ] No [ ] Unknown
If yes, specify below
Comments: _____

15. If the property relies on the combustion of a fossil fuel for heat, ventilation, hot water, or clothes dryer operation, is a carbon monoxide alarm installed in the property?
[ ] Yes [ ] No [ ] Unknown
Comments: _____

16. Are there any zoning violations, nonconforming uses, violation of building restrictions or setback requirements or any recorded or unrecorded easement, except for utilities, on or affecting the property? [ ] Yes [ ] No [ ] Unknown
If yes, specify below
Comments: _____

16A. If you or a contractor have made improvements to the property, were the required permits pulled from the county or local permitting office? [ ] Yes [ ] No [ ] Does Not Apply [ ] Unknown
Comments: _____

17. Is the property located in a flood zone, conservation area, wetland area, Chesapeake Bay critical area or Designated Historic District? [ ] Yes [ ] No [ ] Unknown If yes, specify below
Comments: _____

18. Is the property subject to any restriction imposed by a Home Owners Association or any other type of community association?
[ ] Yes [ ] No [ ] Unknown If yes, specify below
Comments: _____

19. Are there any other material defects, including latent defects, affecting the physical condition of the property?
[ ] Yes [ ] No [ ] Unknown
Comments: _____

NOTE: Seller(s) may wish to disclose the condition of other buildings on the property on a separate RESIDENTIAL PROPERTY DISCLOSURE STATEMENT.

The seller(s) acknowledge having carefully examined this statement, including any comments, and verify that it is complete and accurate as of the date signed. The seller(s) further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Seller(s) _____ Date _____

Seller(s) _____ Date _____

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Purchaser _____ Date _____

Purchaser _____ Date _____

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MARYLAND RESIDENTIAL PROPERTY DISCLAIMER STATEMENT

NOTICE TO SELLER(S): Sign this statement only if you elect to sell the property without representations and warranties as to its condition, except as otherwise provided in the contract of sale and in the listing of latent defects set forth below; otherwise, complete and sign the RESIDENTIAL PROPERTY DISCLOSURE STATEMENT.

Except for the latent defects listed below, the undersigned seller(s) of the real property make no representations or warranties as to the condition of the real property or any improvements thereon, and the purchaser will be receiving the real property "as is" with all defects, including latent defects, which may exist, except as otherwise provided in the real estate contract of sale. The seller(s) acknowledge having carefully examined this statement and further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Section 10-702 also requires the seller to disclose information about latent defects in the property that the seller has actual knowledge of. The seller must provide this information even if selling the property "as is." "Latent defects" are defined as: Material defects in real property or an improvement to real property that:

(1) A purchaser would not reasonably be expected to ascertain or observe by a careful visual inspection of the real property; and
(2) Would pose a direct threat to the health or safety of:
  (i) the purchaser; or
  (ii) an occupant of the real property, including a tenant or invitee of the purchaser.

Does the seller(s) have actual knowledge of any latent defects? [ ] Yes [DS Dy] [Initial SO] No If yes, specify:

Seller DocuSigned by: D Carroll 9DD3B72527DD4E6... Date 10/16/2025

Seller Signed by: Sidney O. Gottlieb, Member F8F84B3313C9442... Date 10/17/2025

The purchaser(s) acknowledge receipt of a copy of this disclaimer statement and further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Purchaser _____ Date _____

Purchaser _____ Date _____

FORM: MREC/DLLR: Rev 07/31/2018

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DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

Property Address: 334 N. Tannery Road Westminster, MD 21157

SELLER/LANDLORD REPRESENTS AND WARRANTS, INTENDING THAT SUCH BE RELIED UPON REGARDING THE ABOVE PROPERTY, THAT **(SELLER/LANDLORD TO INITIAL APPLICABLE LINE)**: SOGM / DS housing was constructed prior to 1978 **OR** _____ / _____ date of construction is uncertain.

FEDERAL LEAD WARNING STATEMENT: A buyer/tenant of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may contain lead-based paint and that exposure to lead from lead-based paint, paint chips or lead paint dust may place young children at risk of developing lead poisoning if not managed properly 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 a particular risk to pregnant women. The seller/landlord of any interest in residential real property is required to disclose to the buyer/tenant the presence of known lead-based paint hazards and to provide the buyer/tenant with any information on lead-based paint hazards from risk assessments or inspections in the seller's/landlord's possession. A **tenant** must receive a federally approved pamphlet on lead poisoning prevention. It is recommended that a **buyer** conduct a risk assessment or inspection for possible lead-based paint hazards prior to purchase.

Seller's/Landlord's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (initial (i) or (ii) below):
(i) _____ / _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____

_____

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

(b) Records and reports available to the seller (initial (i) or (ii) below):
(i) _____ / _____ Seller/Landlord has provided the purchaser/tenant with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

_____

_____

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

Buyer's/Tenant's Acknowledgment (initial)

(c) _____ / _____ Buyer/Tenant has received copies of all information listed in section (b)(i) above, if any.

(d) _____ / _____ Buyer/Tenant has received the pamphlet Protect Your Family from Lead In Your Home.

(e) Buyer has (initial (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) MS Agent has informed the Seller/Landlord of the Seller's/Landlord's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

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.

DocuSigned by: DC Gottlieb 10/16/2025			
Seller/Landlord	**Date**	**Buyer/Tenant**	**Date**
Signed by: Sidney O. Gottlieb, Member 10/17/2025			
Seller/Landlord	**Date**	**Buyer/Tenant**	**Date**
Signed by: Jonathan Schmitt. Broker 10/17/2025			
Seller's/Landlord's Agent	**Date**	**Buyer's/Tenant's Agent**	**Date**

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Maryland REALTORS®

MARYLAND LEAD POISONING PREVENTION PROGRAM DISCLOSURE

Property Address: 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157

MARYLAND LEAD POISONING PREVENTION PROGRAM DISCLOSURE: Under the Maryland Lead Poisoning Prevention Program (the "Maryland Program"), any leased residential dwelling constructed prior to 1978 is required to be registered with the Maryland Department of the Environment (MDE). Detailed information regarding compliance requirements may be obtained at: http://www.mde.state.md.us/programs/Land/LeadPoisoningPrevention/Pages/index.aspx.

1. Seller hereby discloses that the Property was constructed prior to 1978;

AND

The Property _____ / _____ **is** or DCLM / SOCM **is not** registered in the Maryland Program (***Seller to initial applicable line***).

2. If the Property was constructed prior to 1978 and Buyer intends to lease the Property effective immediately following settlement or in the future, Buyer is required to register the Property with the Maryland Department of the Environment within thirty (30) days following the date of settlement or within thirty (30) days following the conversion of the Property to rental property as required by the Maryland Program. Buyer is responsible for full compliance under the Maryland Program, including but not limited to, registration; inspections; lead-paint risk reduction and abatement procedures; payment of all fees, costs and expenses; and the notice requirements to tenants.

3. If the Property is registered under the Maryland Program as indicated above, Seller further discloses to Buyer that an event as defined under the Maryland Program (including, but not limited to, notice of the existence of lead-based paint hazards or notice of elevated blood lead levels from a tenant or state, local or municipal health agency) (***Seller to initial applicable line***) _____ / _____ has; or DCLM / SOCM has **not** occurred, which obligates Seller to perform either the modified or full risk reduction treatment of the Property as required under the Maryland Program. If an event has occurred that obligates Seller to perform either the modified or full risk reduction treatment of the Property, Seller hereby discloses the scope of such treatment as follows:

_____

_____

If such event has occurred, Seller (***Seller to initial applicable line***) _____ / _____ will; OR DCLM / SOCM will **not** perform the required treatment prior to transfer of title of the Property to Buyer.

ACKNOWLEDGEMENT: Buyer acknowledges by Buyer's initials that Buyer has read and understands the above Paragraphs. _____ / _____ **(BUYER)**

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.

Signed by: Douglas G. Carroll III, Member	9/30/2025		
Seller	**Date**	**Buyer**	**Date**
Signed by: Sidney O. Gottlieb, Member	10/1/2025		
Seller	**Date**	**Buyer**	**Date**
Signed by: Jonathan Schmitt. Broker	10/17/2025		
Seller's Agent	**Date**	**Buyer's Agent**	**Date**

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Maryland REALTORS®

MARYLAND NON-RESIDENT SELLER TRANSFER WITHHOLDING TAX ADDENDUM

ADDENDUM dated _____ to Contract of Sale

between Buyer _____

and Seller Tannery, L.L.C

for Property known as 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157 .

Seller acknowledges, pursuant to Section 10-912 of the Tax-General Article, Annotated Code of Maryland, that if Seller is: 1) a non-resident individual of the State of Maryland or is 2) a non-resident entity which is not formed under the laws of the State of Maryland and is not qualified by or registered with the Maryland State Department of Assessments and Taxation to do business in the State of Maryland, the deed or other instrument of writing that effects a change of ownership to the Property may not be recorded with the clerk of the court for a county or filed with the Maryland State Department of Assessments and Taxation unless payment is first made by the Seller in an amount equal to:

a) 8% of the total payment to a non-resident seller; **OR**
b) 8.25% of the total payment to a non-resident entity;

(NOTE: The amount of the payment for a non-resident individual is subject to adjustment on a recurring basis by the Comptroller of Maryland. The amount of the payment for a non-resident entity is subject, from time to time, to change by an Act of the Maryland General Assembly. Seller acknowledges that the amount(s) as set forth in a) and b) above may be greater or lesser than the actual amount(s) due by Seller at time of settlement.)

UNLESS each seller:

1. Certifies, in writing, under the penalties of perjury, that the Seller is a resident of the State of Maryland or is a resident entity of the State of Maryland; **OR**
2. Presents to the clerk of the circuit court for a county or the Maryland State Department of Assessments and Taxation a certificate issued by the Comptroller of the State of Maryland stating that: i) there is no tax due in connection with the sale or exchange of the Property; or ii) a reduced amount of tax is due from the Seller and the reduced amount is collected by the clerk of the circuit court for a county or the Maryland Department of Assessments and Taxation before recording or filing; (**NOTE:** If Seller intends to obtain a certificate from the Comptroller's office, Seller should immediately contact the Comptroller at 1-800-MDTAXES. Obtaining the certificate requires a MINIMUM of three (3) weeks); **OR**
3. Has satisfied the tax liability or has provided adequate security to cover such liability; **OR**
4. Certifies, in writing, under the penalties of perjury, that the Property being transferred is the Seller's principal residence.

As defined under Maryland law and as used in a) and b) above, the term "total payment" means the net proceeds paid to the Seller for the Property and associated tangible personal property, less: 1) debts owed by the Seller and secured by a mortgage or other lien against the Property being paid upon the sale or exchange of the Property and 2) other expenses of the Seller arising out of the sale or exchange of the Property and disclosed on a settlement statement prepared in connection with the sale or exchange of the Property. "Total payment" includes the fair market value of any property transferred to the Seller.

Signed by: Douglas G. Carroll III, Member — 9/30/2025
Seller's Signature — **Date**

Signed by: Sidney A. Gotlieb, Member — 10/1/2025
Seller's Signature — **Date**

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DocuSigned by: Sarah

Maryland REALTORS®

Consumer Notice to Buyers of Residential Real Estate in Maryland

(Include with Exclusive Buyer/Tenant Representation Agreement)

Buyers of residential real estate in Maryland are advised to inquire about the following items:

COVENANTS RUNNING WITH THE LAND: Covenants running with the land are agreements that stipulate that ownership of the land cannot be transferred unless the new owner agrees to continue to abide by the covenants. They cannot be separated from the land and transfer with it. For example, an individual might own property subject to a covenant that requires the property to be used for charitable purposes only. A buyer who purchases the property must agree to use the property for charitable purposes only.

DEED RESTRICTIONS: Deed restrictions are provisions in a deed that limit the use of the property. With some exceptions, deed restrictions cannot be removed by the new owner.

EASEMENTS: An easement is a right, privilege, or interest that one party has in the land of another. There are many types of easements, including, conservation easements, utility easements, gas line easements, and power line easements. Easements may be in property deeds or title papers, and are part and parcel of the land they affect.

LEASES: A lease is any agreement that gives rise to a landlord/tenant relationship. Unless otherwise specified in the lease agreement, the buyer of a property occupied by a tenant under a lease is bound by the conditions and terms of the lease.

ONSITE SEWAGE DISPOSAL SYSTEMS (OSDS) WITH BEST AVAILABLE TECHNOLOGY (BAT): An OSDS is a wastewater treatment system that discharges the treated effluent into the ground. An OSDS with best available technology reduces nitrogen levels. If an OSDS system with BAT is installed on the property, Seller may have used state funds to purchase the system. If state funds were used to purchase the system, the property may be encumbered by an easement that obligates the owner of the property to comply with certain requirements such as maintaining the system and allowing the Maryland Department of the Environment and the county/city in which the property is located to inspect the system. Buyer is advised to inquire about the terms under which an OSDS system with BAT was installed on the property and check with the appropriate city/county agency.

PROPANE TANKS: Propane is a source of energy that is used for heating homes and water, cooking and refrigerating food, drying clothes, and fueling gas fireplaces and barbecue grills. Propane tanks may be owned or leased. If a propane tank is installed on the property, Buyer is advised to inquire about the terms under which the propane tank was installed, how to transfer the ownership or lease, and any costs associated with the transfer.

HOME SECURITY SYSTEMS THAT RECORD AUDIO: Buyer is advised that Maryland law prohibits **audio recording** of private conversations without the consent of all parties.

SOLAR PANELS: Solar panels are devices that convert light into electricity. If solar panels are installed on the property, Buyer is advised to inquire about the terms under which the solar panels were installed, how to transfer the ownership or lease, and any costs associated with the transfer.

WIRE FRAUD THROUGH EMAIL: Buyer is advised to never trust wiring instructions sent via email. Cyber criminals are hacking email accounts and sending emails with fake wiring instructions. These emails are convincing and sophisticated. Buyer should always independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number. Buyer should never wire money without double-checking that the wiring instructions are correct.

DEPOSIT HELD BY ESCROW AGENT: Buyer is advised that an escrow agent, other than a Maryland licensed real estate broker, is not subject to the same legal requirements that Maryland licensed real estate brokers are under the Maryland Real Estate Brokers Act concerning the holding and the release of deposit monies. If the deposit is going to held by a third party other than by a Maryland licensed real estate broker involved in the transaction, the parties are required to enter into a separate written escrow agreement, binding upon the parties and the escrow agent that complies with Section 10-802 of the Real Property Article, Annotated Code of Maryland.

SMOKE ALARMS: Buyer is notified that there were changes in Maryland law regarding smoke alarms and smoke detectors (Section 9-101 et seq. of the Public Safety Article, Annotated Code of Maryland). The type of smoke alarm required in a dwelling depends upon the age of the property. As of January 1, 2018, among other changes, no alarm—battery powered or hard-wired—may be older than 10 years from the date of manufacture, and if battery powered, be sealed, tamper resistant units incorporating a silence/hush button, which use long-life batteries. There are penalties for non-compliance. Additionally, some jurisdictions have more stringent rules for new construction or for rentals. Buyer is advised to inquire about smoke alarm compliance. Buyer may

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view the smoke alarm requirements at: http://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=gps&section=9-101&enactments=false. Buyer may contact the local fire marshal to obtain additional information about the smoke alarm law.

CONDOMINIUM/HOA RESERVE STUDY: A Reserve Study is a long-term capital budgeting tool that a condominium/HOA uses to determine the amount of money it should set aside in its Reserve Fund for replacement, repair, or restoration of common areas. The Reserve Fund is financed by collecting condominium dues, HOA fees, or special assessments. Buyer is advised to pay close attention to the reserve study report of a condominium/HOA as an underfunded Reserve Fund may result in a future increase of condominium dues, HOA fees, or the imposition of special assessments upon Buyer.

Buyer Signature	**Date**	**Buyer Signature**	**Date**

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STATE OF MARYLAND
REAL ESTATE COMMISSION

Consent for Dual Agency

(In this form, the word "seller" includes "landlord"; "buyer" includes "tenant"; and "purchase" or "sale" includes "lease")

When Dual Agency May Occur

The possibility of Dual Agency arises when:

1) The buyer is interested in a property listed by a real estate broker; and

2) The seller's agent and the buyer's agent are affiliated with the same real estate broker.

Important Considerations Before Making a Decision About Dual Agency

A broker or broker's designee, acting as a dual agent does not exclusively represent either the seller or buyer; there may be a conflict of interest because the interests of the seller and buyer may be different or adverse. As a dual agent, the real estate broker does not owe undivided loyalty to either the seller or buyer.

Before the buyer and seller can proceed to be represented by a broker acting as a dual agent, they must both sign Consent for Dual Agency. If the buyer has previously signed Consent for Dual Agency, the buyer must **affirm** the buyer's consent for the purchase of a particular property before an offer to purchase is presented to the seller. If the seller has previously signed Consent for Dual Agency, the seller must **affirm** the seller's consent for the sale of the property to a particular buyer before accepting an offer to purchase the property. The **affirmation** is contained on Page 2 of this form.

Your Choices Concerning Dual Agency

In a possible dual agency situation, the buyer and seller have the following options:

1. **Consent in writing to dual agency**. If all parties consent in writing, the real estate broker or the broker's designee (the "dual agent") shall assign one real estate agent affiliated with the broker to represent the seller (the seller's "intra-company agent") and another agent affiliated with the broker to represent the buyer (the buyer's "intra-company agent"). Intra-company agents are required to provide the same services to their clients that agents provide in transactions not involving dual agency, including advising their clients as to price and negotiation strategy.

2. **Refuse to consent to dual agency. If either party refuses to consent in writing to dual agency**, the real estate broker must terminate the brokerage relationship for that particular property with the buyer, the seller, or both. If the seller terminates the brokerage agreement, the seller must then either represent him or herself or arrange to be represented by another real estate company. If the buyer terminates the brokerage agreement, the buyer may choose not to be represented but simply to receive assistance from the seller's agent, from another agent in that company, or from a subagent from another company. Alternatively, the buyer may choose to enter into a written buyer agency agreement with a different broker/company.

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Duties of a Dual Agent and Intra-Company Agent

Like other agents, unless the client gives consent to disclose the information, dual agents and intra-company agents must keep confidential information about a client's bargaining position or motivations. For example, without written consent of the client, a dual agent or intra-company agent may not disclose to the other party, or the other party's agent:

1) Anything the client asks to be kept confidential; *
2) That the seller would accept a lower price or other terms;
3) That the buyer would accept a higher price or other terms;
4) The reasons why a party wants to sell or buy, or that a party needs to sell or buy quickly; or
5) Anything that relates to the negotiating strategy of a party.

*** Dual agents and intra-company agents must disclose material facts about a property to all parties.**

How Dual Agents Are Paid

Only the broker receives compensation on the sale of a property listed by that broker.

If a financial bonus is offered to an agent who sells property that is listed with his/her broker, this fact must be disclosed in writing to both the buyer and seller.

Consent for Dual Agency

I have read the above information, and I understand the terms of the dual agency. I understand that I do not have to consent to a dual agency and that if I **refuse** to consent, there will not be a dual agency; and that I may withdraw the consent at any time upon notice to the dual agent. I hereby **consent** to have

Krauss Real Property Brokerage act as a Dual Agent for me as the
(Firm Name)

DG/MS DGC **Seller** in the sale of the property at: 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157

___ **Buyer** in the purchase of a property listed for sale with the above-referenced broker.

Douglas G. Carroll III, Member 9/30/2025
Signature Date

Sidney A. Gottlieb, Member 10/1/2025
Signature Date

AFFIRMATION OF PRIOR CONSENT TO DUAL AGENCY

The undersigned **Buyer(s)** hereby affirm(s) consent to dual agency for the following property:

334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157
Property Address

Signature Date

Signature Date

The undersigned **Seller(s)** hereby affirm(s) consent to dual agency for the Buyer(s) identified below:

Name(s) of Buyer(s)

Signature Date

Signature Date

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SMOKE ALARM LAWS

2018

Maryland REALTORS®



AS OF JANUARY 1, 2018 - MARYLAND LAW REQUIRES:

IF BATTERY OPERATED ONLY, ALARM MUST:

- Be powered by 10-year sealed battery
- Have a silence/hush feature

IF HARDWIRED ALTERNATING CURRENT (AC) ALARM:

- May NOT be older than 10 years from the date of manufacture*

ONE ALARM MUST BE LOCATED ON EACH LEVEL OF THE DWELLING INCLUDING THE BASEMENT

NOTE: REGARDLESS OF WHEN BUILT, battery operated only alarms must be powered by 10-year sealed batteries, and no unit, whether battery operated or AC, may be older than 10 years. Types of alarms found in homes have changed over time based on requirements at the time of construction.

BUILT BEFORE 7/1/75	BUILT BETWEEN 7/1/75 - 1/1/89	BUILT BETWEEN 1/1/89 - 7/1/90	BUILT BETWEEN 7/1/90 - 7/1/13	BUILT AFTER 7/1/13
B OR AC	AC	AC—AC	AC—AC WITH BB	AC—AC WITH BB OR 2nd ϟ
Located: Each hallway outside bedroom(s)	Located: Each hallway outside bedroom(s)	Located: Each hallway outside bedroom(s)	Located: Each hallway outside bedroom(s)	Located: Each hallway outside bedroom(s) **AND** in each bedroom

BE AWARE!

- Hardwired AC Alarms must be replaced with hardwired alarms of the same type.
- Additional alarms required as of January 1, 2018 (such as in basement) may be battery operated if they are 10-year sealed battery alarms with a silence/hush button feature.
- A seller who fails to comply with the law is subject to a fine, imprisonment, or both.
- As required by law, any information about alarms that is shared with a REALTOR® is considered a material fact that must be disclosed to all parties.

***NOTE: Date of manufacture will be marked on back of smoke alarm. If no date is printed on device, it should not be used.**

KEY

- B: Battery powered alarm
- AC: Alarm powered by alternating current (hardwired)
- AC-AC: Hardwired interconnected alarm
- BB: Battery Backup
- 2nd ϟ: Alternate secondary power source (i.e. WiFi or Radio Frequency)

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DCUM. SOCAL

Transaction Checklist - Insurance Issues

- Discuss current insurance market conditions with your insurance agent and any problems you may have in obtaining insurance on the home you are purchasing.
- Review offer to purchase to identify insurance issues.
- Contact one or more insurance agents immediately following acceptance of purchase contract by both parties to begin process of obtaining necessary insurance.
- Obtain commitments to issue an insurance policy from an insurance company in writing and carefully review it with your attorney or insurance agent to determine scope of that commitment.
- Be aware of alternative insurance sources that maybe available if a problem develops:
  - Know available sources of insurance (i.e., what other insurance companies are in market by calling different insurance agencies in the community).
  - Check with seller's current insurer to determine if that insurer will continue to insure property with new owner.
  - Check with buyer's current insurer to determine if that insurer will continue to insure buyer in a new property.
  - Alternative forms of coverage that may allow the transaction to proceed may be obtained by contacting the Maryland Joint Insurance Association 410-539-6808.

Maryland REALTORS®
The Maryland REALTORS®
2594 Riva Road, Annapolis MD 21401-7406
www.mdrealtor.org
410-841-6080
FAX 301-261-8369

Prepared in part by the Risk Management Committee of the National Association of REALTORS®. Reprinted with permission by the National Association of REALTORS®.

The New Reality of Property Insurance What You Should Know

Maryland REALTORS®
The Voice for Real Estate® in Maryland

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Q How Can Insurance availability/ affordability affect the real estate transactions?

A. The affordability and availability of insurance affects both buyers and sellers .Buyers will typically be obtaining mortgage financing to pay the purchase price of the property. The lender will require that there be property insurance to cover their interest in the property. If proof of insurance is not available at closing the lender will likely refuse to release the funds and therefore delay or even derail the transaction, either of which can impose both inconvenience and cost to both the buyer and seller. Even in a "cash" transaction the buyer may be hesitant to complete a transaction where insurance is not available to cover the buyer's equity in the property.

Q. When should a buyer apply to obtain an insurance policy to cover the property being purchased?

A. The interest of both buyers and the sellers now suggests that the buyers should begin their search for insurance no later than the time of the contract to purchase is signed. This helps to assure a firm commitment for the issuance of a policy well in advance of the settlement of the transaction. Waiting until the last days or even weeks before the closing can limit the opportunities of the buyers and sellers to address the affordability and availability issue and, if needed, to find alternatives for difficult to insure properties. There have been many examples of transactions, which have been adversely affected in some manner because of problems associated with insurance availability/affordability.

Q. What kinds of events/records can affect the ability to obtain insurance on a property being purchased?

A. A number of factors can affect the availability and cost of homeowner insurance on a property being purchased. For example, they include:

a. past claims filed on the property(up to previous five years)

b. poor insurance score of the prospective purchaser

c. past claims filed by the property purchaser on other properties

d. physical characteristics of property(e.g., leaky roof, historical)

e. characteristics of the property's location (e.g., proximity to fire station, regional weather conditions)

Q. How does the insurance company know what claims have been filed in connection with the property?

A. Approximately 90% of all insurance companies contribute information regarding claims to an insurance industry database. When underwriting a new policy the insurance company may obtain a report from this system from one of a couple different sources to determine the property's claims history. This report is most often identified as a comprehensive loss underwriting exchange report or a "CLUE Report." The report contains information regarding property claims filed in connection with a particular property and claims filed by a particular insured person .For a fee the current owner of the property may obtain a copy of this report. A copy of the report is available to the property owner through companies such as ChoicePoint, Inc, either by writing to ChoicePoint, Inc located in Alpharetta, Georgia, or by going to their website, choicetrust.com, and A-Plus, either by writing to A-Plus located in Jersey City, New Jersey or calling 800-709-8842.

Q. Should I get a copy of the CLUE Report?

A. While this decision is up to the property owner, it is important to understand the limitations of the report. The report contains only raw information and how that information will affect the insurability of a property isn't explained as a part of the report. Moreover, not all insurance companies use the report and those that do use it don't all use the information in the same way. As a result having the report may not enable you to predict whether a particular company will insure the property. If you want information on how a CLUE Report or other similar report may affect your ability to obtain insurance contact your insurance agent.

Q. Are there factors unique to a buyer that can affect their ability to obtain insurance?

A. Yes, although not used by all insurance companies in determining eligibility for insurance, some companies do review the claims filed by the buyer on properties owned by the buyer during the preceding five years. This is another aspect of the CLUE Report database that focuses upon the insured individual rather than the insured property.

Another more controversial factor is the use of Insurance Scores. Insurance Scores, which are formulas developed by insurance companies in an effort to predict the likelihood of an individual filing claims, are sometimes used to determine to whom or at what price an insurance policy will be issued.

Insurance scores are not standardized within the insurance industry and both how they are calculated and how they are used is generally not known outside of individual insurance companies. If you want additional information on how insurance scoring may affect our ability to obtain insurance contact our insurance agent.

Q. Can an insurer rate my insurance risk based on my credit score?

A. No. In Maryland, insurance companies are prohibited from using credit scores to determine a property owner's insurance risk.

Q. If I have questions about insurance practices or the law, who should I contact?

A. The Maryland Insurance Administration has a consumer complaint line for all forms of insurance. In the case of homeowner's insurance, you would contact the Consumer Complaints Department for Property and Casualty at 410-468-2341

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ADDENDUM REGARDING AGRICULTURAL TRANSFER TAX

BUYER:
SELLER: Tannery, L.L.C
PROPERTY: 334 N. Tannery Road (Reconfigured Parcel 345), Westminster, MD 21157
DATE: 9-15-2025
ADDENDUM TO CONTRACT OF SALE DATED

For valuable consideration, receipt of which is hereby acknowledged, we, the undersigned parties, hereby agree as follows:

Buyer acknowledges that he has been notified by Sellers that the Property has been assessed for farm or agricultural use under provisions of Section 8-209 of the Tax-Property Article of the Maryland Annotated Code and that the land being transferred may be subject to the Agricultural Land Transfer Tax imposed by Section 13-301 of the Tax-Property Article of the Maryland Annotated Code. Buyer shall pay any Agricultural Land Transfer Tax, including any and all related taxes and/or penalties, which may be assessed in connection with the purchase of the Property by Buyer in the event that Buyer's intended or actual use of the Property does not qualify, in whole or part, with the requirements of Carroll County or the State of Maryland for the agricultural use assessment. Seller shall pay any Agricultural Land Transfer Tax, including any and all related taxes and/or penalties, which may be assessed in connection with any prior sales or conveyances of the Property by or to Sellers (collectively, "prior sales") or any prior removal of the Property or a portion thereof from agricultural status with Carroll County during Seller's ownership of the Property ("Removal"); regardless of when such a determination of Sellers' Prior Sales or Removal is made or when the Agricultural Land Transfer Tax, including any and all related taxes and/or penalties, may be assessed, now or in the future.

Buyer acknowledges that he is aware that the payment of any Agricultural Land Transfer Tax assessed in connection with the purchase of the Property by Buyer may be avoided or postponed by Buyer's making a satisfactory application to the State Department of Assessments and Taxation (the "Department") that verifies Buyer's eligibility for the continuation of the agricultural land assessment and the Department's approval of such application.

Counterparts: This addendum may be signed in counterparts, which taken together shall constitute one instrument. Signatures obtained by facsimile shall be deemed to be originals.

All other terms and conditions of the Contract shall remain the same and in full force and effect.

BUYER	Date
BUYER	Date
SELLER Signed by: Douglas G. Carroll III, Member 9DD3B72527DD4E6...	Date 9/30/2025
SELLER Signed by: Sidney A. Gottlieb, Member 65DD1B491950486...	Date 10/1/2025
	Date

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MARYLAND STATE DEPARTMENT OF ASSESSMENTS & TAXATION

AGRICULTURAL DECLARATION OF INTENT

ACCOUNT # _____ DISTRICT _____ MAP _____ BLOCK _____ PARCEL _____

NAMES: _____

LOCATION: _____

_____

ACREAGE: _____

I, (WE) _____, THE PURCHASER OF THE REAL PROPERTY LOCATED AT _____

_____

AND DESCRIBED AS _____
HEREBY DECLARE MY INTENTION TO CONTINUE AND/OR PLACE INTO AGRICULTURAL USE THE ABOVE PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF SECTION 8-209 OF THE TAX-PROPERTY ARTICLE FOR A PERIOD OF AT LEAST FIVE (5) CONSECUTIVE FULL TAXABLE YEARS FOLLOWING THIS DATE.

IF THE LAND DOES NOT REMAIN IN AGRICULTURAL USE, THE OWNER MUST NOTIFY THE DEPARTMENT OF ASSESSMENTS AND TAXATION UNDER THE PENALTIES OF PERJURY. FAILURE TO COMPLY WITH THE REQUIREMENTS FOR AGRICULTURAL USE ASSESSMENT DURING THE FIRST FIVE (5) FULL TAXABLE YEARS FOLLOWING THE TRANSFER WILL REQUIRE THE IMPOSITION OF THE AGRICULTURAL TRANSFER TAX, IT WILL BE BASED UPON A CURRENT FAIR MARKET VALUE APPRAISAL AND A 10% PENALTY. THE CEASING OF AGRICULTURAL ACTIVITIES OR THE CONSTRUCTION OF NON-AGRICULTURAL IMPROVEMENTS (STRUCTURES) OR SITE IMPROVEMENTS ON ALL OR PART OF THE PARCEL IS A VIOLATION OF THE DECLARATION. A VIOLATION OF THE DECLARATION OF INTENT SUBJECTS THE PROPERTY TO A TAX PENALTY.

I (WE) DECLARE, UNDER THE PENALTIES OF PERJURY, THAT THIS DECLARATION (INCLUDING ANY ACCOMPANYING FORMS AND STATEMENTS) HAS BEEN EXAMINED BY ME (US) AND THE INFORMATION CONTAINED HEREIN, TO THE BEST OF MY (OUR) KNOWLEDGE, INFORMATION, AND BELIEF, IS TRUE, CORRECT AND COMPLETE.

SIGNATURE _____ DATE _____

SIGNATURE _____ DATE _____
Revised 5/2006

This form seeks information for the purpose of an Agricultural Declaration of Intent. Failure to provide this information will result in denial of your application. However, some of this information would be considered a "personal record" as defined in State Government Article, §10-624. Consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, personal information provided to the State Department of Assessments and Taxation is not generally available for public review. However, this information is available to officers of the State, county or municipality in their official capacity and to taxing officials of any State or the federal government, as provided by statute. Additionally, if your property would be used by the State Department of Assessments and Taxation as a comparable for purposes of establishing the value of another property in a hearing before the Maryland Tax Court, the requested information, or a portion thereof, may have to be provided to the owner of that other property.

MARYLAND STATE DEPARTMENT OF ASSESSMENTS & TAXATION

REAL PROPERTY DIVISION

Listed below are the **mailing addresses** for local assessment offices

ASSESSMENT OFFICE MAILING ADDRESSES	PHONE	FAX	EMA
ıty Assessments 112 Baltimore Street, 3rd Floor, Cumberland, MD 21502	(301) 777-2108	(301) 777-2052	sdat.alle@maryla
County Assessments 45 Calvert St., 3rd Floor, Annapolis, MD 21401	(410) 974-5709	(410) 974-5738	sdat.aa@marylar
' Assessments Wm. Donald Schaefer Tower, 6 Saint Paul Street, 11th Floor, Baltimore, MD 21202	(410) 767-8250	(410) 333-4626	sdat.baltcity@ma
ınty Assessments Hampton Plaza, 300 E Joppa Road, Suite 602, Towson, MD 21286	(410) 512-4900	(410) 321-4148	sdat.blco@maryl
y Assessments State Office Bldg. 200 Duke Street, Room 1200, Prince Frederick, MD 20678	(443) 550-6840	(443) 550-6850	sdat.calv@maryl
ty Assessments Denton Multi-Service Center, 207 South 3rd St, Denton, MD 21629	(410) 819-4450	(410) 819-4441	sdat.crln@maryl
' Assessments 15 E Main Street, Suite 229, Westminster, MD 21157	(410) 857-0600	(410) 857-0128	sdat.carl@maryla
ıssessments District Court Multi-Service Center, 170 East Main Street, Elkton, MD 21921	(410) 996-2760	(410) 996-2770	sdat.cec@maryla
y Assessments Southern Maryland Trade Center, 101 Catalpa Drive Suite 101A, LaPlata, MD 20646	(301) 932-2440	(301) 932-2189	sdat.char@maryl
ıunty Assessments 501 Court Lane, PO Box 488, Cambridge, MD 21613	(410) 228-3380	(410) 228-3704	sdat.dor@maryla
nty Assessments 5310 Spectrum Dr, Suite E, Frederick, MD 21703	(301) 815-5350	(301) 663-8941	sdat.fred@maryl
' Assessments County Courthouse 317 East Alder St., Room 106, PO BOX 388, Oakland, MD 21550	(301) 334-1950	(301) 334-5018	sdat.gar@marylar
:y Assessments Mary E.W. Risteau District Court Multi-Service Center, 2 South Bond Street, Suite 400, Belair, MD 21014	(410) 836-4800	(410) 838-5914	sdat.harf@marylan
ty Assessments District Court Multi-Service Center, 3451 Court House Dr, Ellicott City, MD 21043	(410) 480-7940	(410) 480-7960	sdat.how@marylan
ıssessments 114-A Lynchburg Street, Chestertown, MD 21620	(410) 778-1410	(410) 778-1525	sdat.kentco@maryl
County Assessments 30 W. Gude Drive, Suite 400, Rockville MD 20850	(240) 314-4510	(301)424-3864	sdat.mont@maryla
's County Assessments 14735 Main Street, Suite 354B, Upper Marlboro, MD 20772	(301) 952-2500	(301) 952-2955	sdat.princeg@mary
County Assessments Carter M. Hickman District Court Multi-Service Center, 120 Broadway Suite 7, Centreville, MD 21617	(410) 819-4160	(410) 819-4170	sdat.qaco@marylar
nty Assessments Carter Building, 23110 Leonard Hall Drive, Room 2059, PO Box 1509 Leonardtown, MD 20650	(301) 880-2900	(301)475-4856	sdat.stm@marylan
nty Assessments 11545 Somerset Avenue, Princess Anne, MD 21853	(410) 651-0868	(410) 651-1995	sdat.som@marylan
Assessments 29466 Pintail Drive, Suite 12, Easton, MD 21601	(410) 819-5920	(410) 822-0048	sdat.talb@marylan
ounty Assessments 3 Public Square, Hagerstown, MD 21740	(301) 791-3050	(301) 791-2925	sdat.wash@maryla
ınty Assessments Salisbury District Court Multi-Service Center, 201 Baptist Street, Box 8 Salisbury, MD 21801	(410) 713-3560	(410) 713-3570	sdat.wic@marylanc
ınty Assessments One West Market Street, Rm. 1202, Snow Hill, MD 21863	(410) 632-1196	(410) 632-1366	sdat.wor@marylan

ALL ASSESSMENT OFFICES ARE OPEN MONDAY - FRIDAY 8:00 AM – 4:30 PM,
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For a complete list of office locations visit http://dat.maryland.gov/realproperty/Pages/Maryland-Assessment-Offices.aspx

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Attachment 1 019040005

MARYLAND STATE DEPARTMENT of ASSESSMENTS and TAXATION
APPLICATION FOR AGRICULTURAL USE ASSESSMENT

ACCOUNT NO_____DISTRICT____MAP____PARCEL____LOT____SUBDIVISION_____ACREAGE_____

1. Name of owner(s): _____
2. Is owner age 70 or older? ☐ Disabled? ☐
3. Property Address: _____
   Mailing Address: _____
4. Telephone Number:_____ Email _____
5. Total acreage requested at agricultural rates: _____
   Acreage in crops:_____Type of Crop: _____
   Acreage in pasture: _____
   Acreage in a government program: _____ Acreage in woodland: _____
   Name of private or governmental forestry program that the tract is under: _____
   Number and type of livestock or poultry: (i.e. 3 cattle (specify beef or dairy), 10 sheep)_____
6. Amount of last harvest for each crop:_____
7. Gross sales last year if farm is under five (5) acres:
   A. Crops: $ _____
   B. Livestock: $ _____
   C. Livestock Products: $ _____
   D. Poultry Products: $_____
   E. Aquaculture: $_____
   F. Other; Specify: _____ $_____
8. Name and address of person conducting farm operation if other than owner:
   _____
9. Is this acreage adjacent to other farm property which you own or which is owned by an immediate family member?
   Yes ☐ No ☐ If yes, give Name of family member _____
   Relationship_____Property address_____
10. Did you complete Schedule F in your Federal Income Tax Return? Yes ☐ No ☐
11. Is there a current, written Nutrient Management Plan covering the land at issue: Yes ☐ No ☐
    If no, will a plan be created: Yes ☐ No ☐ Approximate Date of obtaining a Plan_____
    Question #11 is for use by the Department of Agriculture: nm.sdat@maryland.gov

I certify that the above statements are true and correct and that I understand it is my responsibility to notify the Supervisor of Assessments if agricultural use of the land described above is discontinued.

Signature of Owner:_____Date: _____

CAUTION: A transfer of any portion of the above-described land may require imposition of an agricultural transfer tax. SEE TAX PROPERTY ARTICLE, SECTION 13-301 - 13-308, ANNOTATED CODE OF MARYLAND.

This form seeks information for the purpose of an agricultural use assessment on the indicated property. Failure to provide this information will result in denial of your application. However, some of this information would be considered a "personal record" as defined in State Government Article, § 10-624. Consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, personal information provided to the State Department of Assessments and Taxation is not generally available for public review. However, this information is available to officers of the State, county, or municipality in their official capacity and to taxing officials of any State or the federal government, as provided by statute. Additionally, if your property would be used by the State Department of Assessments and Taxation as a comparable for purposes of establishing the value of another property in a hearing before the Maryland Tax Court, the requested information or a portion thereof, may have to be provided to the owner of that other property.

Submit to the appropriate office where the property is located; a list of offices is attached.

MARYLAND STATE DEPARTMENT OF ASSESSMENTS & TAXATION

REAL PROPERTY DIVISION

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y Assessments Southern Maryland Trade Center, 101 Catalpa Drive Suite 101A, LaPlata, MD 20646	(301) 932-2440	(301) 932-2189	sdat.char@maryl
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nty Assessments Carter Building, 23110 Leonard Hall Drive, Room 2059, PO Box 1509 Leonardtown, MD 20650	(301) 880-2900	(301)475-4856	sdat.stm@marylan
nty Assessments 11545 Somerset Avenue, Princess Anne, MD 21853	(410) 651-0868	(410) 651-1995	sdat.som@marylan
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ınty Assessments One West Market Street, Rm. 1202, Snow Hill, MD 21863	(410) 632-1196	(410) 632-1366	sdat.wor@marylan

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SDAT Agricultural Transfer Tax

Background

The preservation of agricultural land is extremely important to all citizens of Maryland. Years ago, the Maryland General Assembly declared that it is in the general public interest of the State to foster and encourage farming activities to maintain a readily available source of food and dairy products, to encourage the preservation of open space as an amenity necessary for human welfare and happiness, and to prevent the forced conversion of open space land to more intensive uses. In fact, Maryland was the first State in the nation to formally adopt a policy providing for lower assessments (and property taxes) on land that is actively devoted to farm or woodland uses. The "agricultural use assessment" is granted to farm land or woodland that meets the criteria outlined in State Law. This special assessment means that the land is appraised according to its current use and not according to its actual market value which, in many instances, is significantly higher. The result is that the owner of land receiving the lower "agricultural use assessment" pays less property taxes and there is less pressure to convert the land to more intensive uses. Another method used to preserve agricultural land is the State's Agricultural Land Preservation Program. This program, administered by the Maryland Department of Agriculture, purchases development rights on existing farms thereby ensuring that they will remain as active farms. A key funding source for this program is the Agricultural Transfer Tax, which is a tax imposed on the sale of land removed from receiving the agricultural use assessment. The agricultural use assessment, the agricultural transfer tax, and Maryland's Agricultural Land Preservation Program work together to preserve farmland and woodland in Maryland. The agricultural transfer tax serves several roles; as a deterrent in the conversion of the land for development; as a penalty when land has been removed and transferred from this preferential use assessment; and finally, in funding the purchase of easements on farmland to protect lands from future development.

When the Agricultural Transfer Tax & Surcharge Applies

The Agricultural Transfer Tax and Surcharge applies at the point of sale on land that receives the agricultural use assessment; or in some cases, where land that had previously received the agricultural use assessment. The Department's website identifies property accounts subject to an Agricultural Transfer Tax on its Real Property Data Search site. Property accounts subject to an Agricultural Transfer Tax will have a Special Tax Recapture area noted as "Agricultural Transfer Tax". This notation is clearly identified in a **red bold** format both at the top and bottom of the website's property screen so that it is not overlooked.

Technically, the Agricultural Transfer Tax is imposed on the written instrument (deed) conveying title to the property and it must be paid before the document can be recorded in the land records of the county. When the amount of Agricultural Transfer Tax is requested by a customer, the local assessment office prepares an Agricultural Transfer Tax Statement that contains the details of the tax and surcharge calculation. The Agricultural Transfer Tax Statement provides the total amount that will be due upon transfer. The tax is collected by the local County Finance or Treasurer's Office. State Law (Sections §13-301 through §13-308 of the Tax-Property Article) provides the statutory framework for the Agricultural Transfer Tax and Surcharge. Generally, the law specifies that the tax is due on all transfers of agricultural land unless exempt or the purchaser is willing to sign a Declaration of Intent. *(Refer to those sections below for more details)*

It is important to note that there are a few counties that also impose a County Agricultural Transfer Tax in addition to the State of Maryland's tax. Please contact the Finance or Treasurer's Office for the county in which the property is located within to determine if any additional local tax is applied.

Revised 7/25/2019

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Because the Agricultural Transfer Tax is imposed on the written instrument conveying title to the property and not on either the buyer or seller, payment of the tax becomes a negotiated item between the two parties. Here, the law requires that the seller notify the buyer of the possibility of the tax being due at the time of transfer. The notification must be in writing and a part of the sales contract. When that is done, the buyer becomes responsible for payment of the tax.

The Rate and Basis for the Tax and Surcharge

The Agricultural Transfer Tax and Surcharge are imposed on the value of the land being removed from the agricultural use assessment. The rate of the tax and surcharge are as follows:

- 5% when the land being removed from agricultural use is 20 acres or more;
- 4% when the land being removed from agricultural use is less than 20 acres in size;
- 3% when the land being removed from agricultural use is less than 20 acres and contains site improvements such as well and septic.
- An additional 25% surcharge is calculated from the Agricultural Transfer Tax amount and added together for the total amount due. *(Note: The Surcharge does not apply to transfers of two acres or less to a child or grandchild of the owner.)*

Method of Calculation of the Agricultural Transfer Tax

The Assessment Office is charged with the responsibility of determining when the Agricultural Transfer Tax is due and the amount to be paid. The law provides specific guidelines that must be followed in making the necessary calculations. As mentioned above, the rate of the tax is dependent upon the size of the tract of land being removed from agricultural use assessment and whether any site improvements exist. The basis for the tax is the value of the land receiving the use assessment. However, at this point the method of determining that value becomes somewhat more complicated. Generally, the consideration paid for the property is used with the applicable rate when the tax is imposed upon transfer. Adjustments are subtracted out from the consideration paid for property for any non-agriculturally assessed land, dwellings or structures to determine the net consideration. The land value used in the tax calculation is determined as follows:

- When the entire tract of land received the agricultural use assessment and no buildings are present, the tax is imposed on the actual consideration to be paid.
- If farm buildings are present, the value of those buildings (as reflected on the assessment records) are subtracted from the total consideration and the tax is imposed on resulting net consideration.
- A similar approach is used to determine net consideration when the entire tract of land did not receive the agricultural use assessment as is the case when the purchase includes a dwelling and homesite. In this instance, the value of the non-agricultural land and dwelling (as reflected on the assessment records) are subtracted from the total consideration.
- The dwelling and/or other building structures may have an index applied to their value prior to being subtracted. This index is to offset any increase in cost since their previous reassessment, thus providing for a more current value to the improvement(s). The amount of the index will vary depending on current economic conditions and the year in which the property was last reassessed.
- The imposition of the Agricultural Transfer Tax and/or the value used in the calculation of the tax may be appealed. These are considered separate appeals so it is important for the appellant to follow any instructions and deadlines contained within their notice.

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If a Declaration of Intent is filed on a portion of land or the land is subject to a violation, the rate is applied to the fair market value of the land as determined by the Supervisor of Assessments rather than using the consideration. *(Further explained below)*

Declaration of Intent use in Waiver of the Agricultural Transfer Tax

The intent of the Agricultural Transfer Tax law is to impose the tax only when the land will not continue in agricultural use. Thus, the purchaser may elect to waive the tax by filing a Declaration of Intent at the time of transfer. This document is the purchaser's agreement that the described amount of land will remain in agricultural use for at least 5 full consecutive taxable years. This commitment involves completing the agricultural use application that is approved to meet the Departments agricultural use requirements. Purchasers are encouraged to contact the local Assessment Office for the county the property is located within to discuss the requirements of agricultural use assessment prior to signing a Declaration of Intent. This is to avoid any violation or confusion in this agreement. (Please refer to the Agricultural Use Assessment for more information)

The purchaser also has the option of waiving a portion of the tax by filing a Declaration of Intent on part of the land and paying the Agricultural Transfer Tax on the other portion of land they intend to develop. When this is done, the consideration to be paid at settlement is not used in the calculation of the tax, rather the Supervisor of Assessments must determine the fair market value for the portion of land being removed. In such cases, the law requires that when a parcel can be further subdivided into 2 or more parcels, the Supervisor of Assessments must be provided with a survey that accurately identifies the location and amount of acreage that is subject to the Declaration of Intent.

The example below illustrates a typical situation where only a portion of land is elected to be developed in the future and have the tax paid on. In this instance, the importance and impact of the survey is crucial in determining the amount of tax that would be due.

> Assume that a 50 acre parcel of farmland is being purchased and the buyer intends to pay the Agricultural Transfer Tax on one acre for a homesite to build a house and sign a Declaration of Intent to farm the remaining 49 acres. The 50 acre parcel is divided by a road with a portion of land on one side of the road located against the water, while the portion of land on other side of the road is only subject to a view of water. The one acre homesite has no site improvements, so a 4% rate of tax will be used in the Agricultural Transfer Tax calculation.
>
> **Example A)** The survey identifies the location of the homesite on the portion of the road where it will only have a water view. The fair market value of the one acre water view homesite is determined to be $300,000. The Agricultural Transfer Tax ($300,000 x .04 = $12,000.00) and 25% Surcharge ($12,000 x .25 = $3,000.00) due would be a total of $15,000.00.
>
> **Example B)** The survey on the same parcel now identifies the location of the one acre homesite on the portion of the road where it will be waterfront. The fair market value of the waterfront homesite is determined to be much higher in value now at $800,000. The Agricultural Transfer Tax ($800,000 x .04 = $32,000.00) and 25% Surcharge ($32,000 x .25 = $8,000.00) due would be a total of $40,000.00.

Violation of a Declaration of Intent

The law provides a penalty for property owners who avoid the Agricultural Transfer Tax by filing a Declaration of Intent and later fail to comply with the Declaration of Intent's agreement. The Declaration of

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Intent represents the purchaser's commitment to maintain land in agricultural use for 5 full consecutive taxable years. This document includes a statement that the purchaser agrees to meet the criteria necessary to receive the agricultural use assessment. Loss of the use assessment during this 5 year period will result in the imposition of the Agricultural Transfer Tax, Surcharge plus a 10% Penalty.

The Assessment Office is responsible for determining when land qualifies for the agricultural use assessment. Likewise, the office is responsible for identifying those instances when there is a violation of a Declaration of Intent and the need to impose the tax and penalty. The imposition of Agricultural Transfer Tax and penalty for a violation works as follows:

- The Assessment Office determines that there has been a violation of a Declaration of Intent for all or a part of the land subject to that agreement;
- The Supervisor of Assessments determines the fair market value of the land subject to the violation;
- The tax is imposed on the fair market value of the land under violation at the appropriate rate depending upon site improvements and size of the land in violation;
- An additional 25% surcharge is added;
- A penalty of 10% is calculated from the Agricultural Transfer Tax due and added to the total due;
- The property owner is sent a notice of their violation containing the amount due. They are also sent a notice containing the new fair market value of the land removed from agricultural use;
- Both notices may be appealed. It is important to follow the appeal instructions and deadlines included with each notice as they are each a separate type of appeal.

To illustrate the violation and penalty, assume that a 50 acre vacant parcel is purchased for $800,000; the purchaser files a Declaration of Intent on the entire 50 acre parcel and therefore no agricultural transfer tax is paid at the time of transfer. Four years later, the purchaser decides to build a house on the 50 acre parcel and has a permit issued to begin this process. This act represents a violation of the Declaration of Intent because the one acre homesite must now be removed from agricultural use assessment. The Agricultural Transfer Tax, Surcharge and Penalty will now be due for that one acre homesite (assuming the remaining 49 acres of land continue to meet the agricultural use requirements). In the above example, the Supervisor of Assessments determines the fair market value for the vacant one acre homesite to be $90,000. The rate of 4% is used in the calculation of the Agricultural Transfer Tax. The Agricultural Transfer Tax ($90,000 x .04 = $3,600.00), 25% surcharge ($3,600 x .25 = $900.00) and 10% penalty ($3,600.00 x .10 = $360.00) now due for the violation is $4,860.00.

Exemptions from the Agricultural Transfer Tax

There are certain situations when the transfer of agricultural land is exempt from the Agricultural Transfer Tax. In these cases, there is no need for the purchaser to file a Declaration of Intent even though the land may continue to be farmed. Section §13-207 of the Tax-Property Article of the Annotated Code of Maryland lists those situations when the exemption applies.

It is important to note that the transfer is not necessarily exempt from Agricultural Transfer Tax solely because the purchaser may qualify for a particular property tax exemption or is an immediate family member. The exemptions to the Agricultural Transfer Tax are quite different from other property tax exemptions, and the purchaser should not assume the transaction will be exempt. Questions regarding Agricultural Transfer Tax exemptions should be directed to the local Assessment Office.

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Other Important Agricultural Transfer Tax Provisions

The Agricultural Transfer Tax may be due even though the land does not currently enjoy the benefit of the agricultural use assessment. The law requires that the tax be imposed on land that currently receives, or had received, the agricultural use assessment. Once the agricultural use assessment is removed from the land, it is assessed based on its fair market value, real property taxes are then paid based on the higher market value assessment. Tax Property Article Section §13-303(c) of the Annotated Code of Maryland provides for the reduction in the Agricultural Transfer Tax for land that has been removed from the agricultural use assessment. For land removed from the agricultural use assessment on July 1, 2019 or after, the Agricultural Transfer Tax is reduced as follows:

- Reduced by 25% the first full year that property taxes are paid on the market value assessment;
- Reduced by 50% for the second consecutive year property taxes are paid on the market value assessment;
- Reduced by 65% for the third consecutive year and all future years property taxes are paid on the market value assessment until the Agricultural Transfer Tax has been satisfied.

(Note: For land removed from agricultural use prior to July 1, 2019, the total amount of the tax due is reduced by 25% for each consecutive year that property taxes are paid on the market value assessment. Thus, after the fourth consecutive year that property tax was paid on the market value assessment, the Agricultural Transfer Tax is no longer due on the transfer of that land.)

Another important provision is the requirement that the Assessment Office be notified in advance of the recording of the deed so that the agricultural transfer tax can be calculated. If new improvements such as a house have been added to the property, the law requires that the Assessment Office be notified of the pending transfer at least 7 days prior to recording the deed. From a practical point, the office should be informed 7 days prior to settlement. There is a similar requirement when a Declaration of Intent is to be filed on only a portion of the land being transferred. Here, the Assessment Office must determine the fair market value of the land subject to the Agricultural Transfer Tax.

In all cases where an Agricultural Transfer Tax may be due, the property owner (current or prospective) is encouraged to contact their local Assessment Office for the county where the property is located within to discuss the transaction. The implications of the Agricultural Transfer Tax, Declaration of Intent agreement and agricultural use assessment requirements can be complex and lead to considerable sum of money being due. Therefore it is extremely important that all pertinent aspects of the transaction are reviewed prior to settlement.