



MULTI UNIT PURCHASE AND SALES AGREEMENT

Rhode Island Association of REALTORS®



1. SALES AGREEMENT

This ("Agreement") made between ("Seller"): 140 Courtland St LLC

Mailing Address: P.O. Box 105 Medfield MA 02052
and ("Buyer"): Jason Li and Jefferson Lee or Assignee

Mailing Address: 149 Pearl St #2 Newton MA 02458
Seller agrees to SELL and Buyer to BUY, upon the price and terms below, the following property (the "Property"):
Property Address 140 Courtland Street Assessor's Plat _____ Lot _____
Block _____ in the City/Town of Providence, State of Rhode Island, Zip code 02909

2. DATE OF THIS AGREEMENT

The Date of this Agreement shall be the later of: (a) the date on which Buyer signs this Agreement, or (b) the date on which Seller signs this Agreement.

3. PURCHASE PRICE

Buyer agrees to pay Seller a Purchase Price for the Property in the amount of:

Two Hundred Fifty Thousand Dollars (\$ 250,000.00) ("Purchase Price") of which:
\$ 1,000.00 has been paid as a deposit.
\$ 9,000.00 Additional deposit to be paid on or before before signing
\$ 240,000.00 Balance due at closing by cash, certified check, wire transfer and/or bank check.
\$ 250,000.00 TOTAL PURCHASE PRICE.

4. CLOSING DATE/PLACE

Closing is to be held on July 17th, 2015 at 10:00 A.M. at the office of the Registry of Deeds or at such other time and place as may be agreed to by Buyer and Seller. Delivery of deed shall occur at the closing. Buyer and Seller authorize the closing agent to release to Broker(s) signed copies of the closing statement(s).

5. DEPOSITS

All deposits shall be held in an escrow account by the Listing Brokerage Firm named in Section 25, unless mutually agreed otherwise in writing by Buyer and Seller, and applied to the Purchase Price, except as otherwise provided.

- The release of all deposits shall be upon execution of a written release by Buyer and Seller or as otherwise provided in Commercial Licensing Regulation 11.
- In the event of a dispute between Seller and Buyer as to the performance of any provision of this Agreement, the holder of the deposits shall transfer the deposits to the General Treasurer of Rhode Island after 180 calendar days from the date of the original deposit, in accordance with the above regulation.

6. WAIVER OF MORTGAGE CONTINGENCY

If initialed by Buyer, this Agreement is not contingent upon financing and Section 7 of this Agreement shall not apply. _____ (Initials of Buyer)

7. MORTGAGE CONTINGENCY

This Agreement is subject to Buyer obtaining a commitment letter issued by an institutional mortgage lender or mortgage broker ("Lender") on or before 06/30/15, ("Mortgage Contingency Deadline") under the following terms: an amount not to exceed \$ 200,000.00 at an initial rate of interest not to exceed prevailing % per year, for a term of at least 20 years, with a maximum of prevailing points. Buyer authorizes Seller and/or Listing Licensee to contact any such Lender(s) to confirm the status of Buyer's application.

- Satisfaction of Contingency:** Once Buyer delivers a commitment letter to Seller or Listing Licensee in accordance with Section 25, this Contingency is deemed satisfied, regardless of whether the stipulations and conditions in the commitment letter are met. **Buyer assumes all obligations in fulfilling any and all conditions of the commitment letter.**
- Denial of Mortgage:** If Buyer applies for a mortgage as described above and receives a written denial for such mortgage, then, upon delivering a copy of the denial to Seller or Listing Licensee in accordance with Section 18 on or before the Mortgage Contingency Deadline or extensions, this Agreement shall be declared null and void and Buyer shall have the right to the Deposits in accordance with Section 5 unless Buyer waives the mortgage contingency in writing.
- Extension:** If Buyer has received neither a commitment letter nor a denial for such mortgage on or before the Mortgage Contingency Deadline, Buyer may request, on or before the Mortgage Contingency Deadline, and by written notice to Seller or Listing Licensee in accordance with Section 18, to extend the time by which a copy of the commitment letter or denial must be delivered, or waive the Mortgage Contingency by written notice in accordance with Section 18. In response to Buyer's request, Seller may, on or before the Mortgage Contingency Deadline, and by written agreement with Buyer, extend the time by which a copy of the written denial must be delivered. If Seller does not extend the Mortgage Contingency Deadline, this Agreement shall be null and void and Buyer shall have the right to the Deposits in accordance with Section 5 unless Buyer waives the Mortgage Contingency in writing.
- Buyer's Breach of Contingency:** If, on or before the Mortgage Contingency Deadline, Buyer fails to deliver a copy of the commitment letter, or fails to deliver a written denial for such mortgage to Seller or Listing Licensee in accordance with Section 18, or fails to request an extension as stated in (c) above, the Mortgage Contingency shall be deemed waived. If Buyer fails to purchase Property on Closing Date, Buyer shall be in default of this Agreement; Seller shall have the right to the Deposits and other remedies provided in Section 19.
- Insurance Notice:** A mortgage is usually contingent on an insurance binder; therefore, Buyer is highly advised to seek a quote or binder for insurance including, but not limited to, flood, dwelling, and wind, on or before the Mortgage Contingency Deadline. Insurance availability and cost may vary based upon factors, including but not limited to, location, age, condition, and past history of the property.

BUYER'S INITIALS _____ SELLER'S INITIALS _____

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8. PERSONAL PROPERTY AND FIXTURES

All fixtures and other improvements that are permanently attached to the building, structures, or land as of the date Buyer signed this Agreement are included in this sale as part of the Property, including, but not limited to, landscaping, lighting fixtures, screen doors, storm windows, garage door openers and controls, flagpoles, fences, and any other items that are built in, including, but not limited to air conditioning equipment, garbage disposals, and dishwashers. Any and all items associated with the use, control, or operation of the fixtures or additional items stated below are also included. Additional items included in the sale:

See attached addendum for appliances

The following items, including leased or tenant-owned items, are **excluded** from the sale:

n/a

9. LEGAL UNITS

Property is comprised of 6 (number) legal units according to municipal zoning records in the city/town in which Property is located.

10. TITLE AND DEED

- (a) Seller shall convey Property by a warranty deed conveying a good, clear, insurable, and marketable title to the Property, free from all encumbrances, except easements and restrictions of record, and governmental regulations, provided they do not affect the marketability of the title and are satisfactory to Buyer, and Buyer's Lender, if any. Seller warrants that Seller has no notice of any outstanding violation order from a governmental entity relating to the Property.
- (b) Buyer may conduct a title examination of the Property at Buyer's expense.
- (c) If Seller cannot convey marketable title as described above, Buyer may (1) elect to accept such title as Seller can convey, or (2) reject the unmarketable title, by notifying Seller in accordance with Section 25, then this Agreement shall be deemed null and void and Buyer shall have the right to the Deposits in accordance with Section 5.

11. TAXES, ADJUSTMENTS, OTHER ASSESSMENTS

- (a) **Taxes:** Real estate taxes and fire district taxes shall be prorated on a calendar year basis, except in those towns in which taxes are prorated on a municipal fiscal year basis, with Seller paying for the period prior to the date of delivery of the deed and Buyer paying the balance of taxes due. All other taxes which are a lien upon the Property shall be paid by Seller at the time of the delivery of the deed.
- (b) **Adjustments:** Rents, fuels, water charges, association fees and sewer usage charges shall be apportioned as of the date of the delivery of the deed at the current price as calculated by the Seller's supplier.
- (c) **Assessments:** All assessments, including sewer, which are payable over a period of more than one year and constitute a lien on the Property shall be paid as follows: At closing, Seller shall pay installments due during the municipal years prior to the year in which the deed is delivered; the installments due in that year shall be prorated in the same manner as above provided for taxes, and **(check one)**
- ☒ the Seller shall pay the balance of the assessment in full or acknowledge that there is no assessment, **or**
- ☐ the Buyer shall pay the balance of the assessment in full, if any, or assume the balance of the assessment where permitted by law.

BUYER'S INITIALS

SELLER'S INITIALS

12. NON-RESIDENT WITHHOLDING REQUIREMENT

If Seller is not a resident of the State of Rhode Island or will not be a resident at the time of the closing, Buyer must withhold six (6%) percent of Seller's net proceeds (9% if Seller is a corporation), in accordance with R.I.G.L. § 44-30-71.3, and pay such amount to the Division of Taxation as a non-resident withholding requirement. In order to have such withholding based on gain rather than net proceeds of sale, Seller must submit an election form to the Division of Taxation at least twenty (20) calendar days prior to closing. Seller agrees to pay to Buyer the entire amount of such withholding found to be due at or after the closing. Buyer's responsibility shall survive the transfer of title to the Property and shall be a lien against the Property. Seller and Buyer are advised to consult with the appropriate legal, tax, or financial professionals and/or the Rhode Island Division of Taxation.

13. NON-RESIDENT LANDLORD REQUIREMENT

R.I.G.L. § 34-18-22.3 requires a residential landlord who is not a resident of the state of Rhode Island to designate an agent for "service of process" who is a resident of Rhode Island or corporation authorized to do business in Rhode Island. This designation must be filed with the Secretary of State and the clerk of the municipality where the property is located.

14. FIRE SAFETY SYSTEMS

Rhode Island requires multi-unit dwellings to be equipped with a fire safety system. Requirements vary based on the number and design of the units and may include, but not be limited to, battery operated or hard wired smoke and carbon monoxide detector system, interconnected detectors, fire suppression devices; fire retardant paint, a local fire alarm system or a municipally connected fire alarm system. **Buyer and Seller have been advised to contact the State Fire Marshal's Office or the local authority having jurisdiction over Property before signing this Agreement.**

BUYER'S INITIALS

SELLER'S INITIALS

Seller shall deliver Property in compliance with all applicable fire safety codes.

BUYER'S INITIALS

SELLER'S INITIALS

Buyer shall assume all responsibility for compliance with all applicable fire safety codes, where permitted by law.

Additional Provisions:

Property being sold "as is as is."

15. POSSESSION AND CONDITION OF PROPERTY

Seller shall deliver to Buyer at closing full occupancy and possession of the Property, in "broom clean" condition, free and clear of personal possessions (except those that are listed in Section 8 as included with the sale), except as agreed below. At closing, Seller shall convey the Property in the same condition in which it is on the Date of this Agreement, except for reasonable use and wear and/or any improvements or repairs required by this Agreement. Buyer shall be entitled to a final walkthrough of the Property prior to the delivery of the deed in order to determine whether the condition of the Property complies with the terms of this section.

EXCEPTIONS: (subject to assumption of leases)

16. TENANTS AND OCCUPANTS

Seller shall deliver Property to Buyer at closing as follows: **(Buyer and Seller: initial one)**

BUYER'S INITIALS _____
SELLER'S INITIALS Free and clear of **all** tenants and occupants

BUYER'S INITIALS _____
SELLER'S INITIALS Existing tenants and occupants may remain.

BUYER'S INITIALS _____
SELLER'S INITIALS Other _____

Seller shall notify Buyer in writing of any changes in occupancy prior to Closing.

17. BUYER'S REVIEW OF RENTAL AGREEMENTS AND INFORMATION

(a) The Seller shall provide Buyer with a copy of the following:

- (1) all written leases or rental agreements in effect at the time this Agreement is signed; **or**
- (2) a written statement providing the terms of the tenancy including the amount and date when rent is due, security deposits held and the responsibilities of the parties for utilities, parking, and other terms of the tenancy at the time this Agreement is signed, if there is no written lease or rental agreement.

(b) The Buyer shall have a period of 10 calendar days from Buyer's receipt of the above documents to review and accept them.

(c) If within this review period, Buyer gives Seller written notice that Buyer does not accept the above documents, this Agreement shall be null and void and Buyer shall have the right to all Deposits in accordance with Section 5. If Seller does not receive written notice within such period, these provisions shall be deemed acceptable to Buyer.

18. SELLER'S OBLIGATIONS

(a) Seller shall transfer all security deposits to Buyer at the time of closing.

(b) Seller shall deliver to Buyer a letter to each tenant notifying them of a change in ownership and an address where subsequent rental payments are to be sent and the amount of the security deposit being transferred to Buyer, if any.

(c) The Seller shall provide Buyer with current contact information for all tenants occupying the property at the time of the closing.

(d) All rents shall be considered current as of the date of the closing and will be prorated according to the terms of the rental agreements and written statements provided in accordance with Section 17(a).

19. WRITTEN NOTICE OF VIOLATIONS AND CHANGE IN OWNERSHIP:

If there is any notice of violation order outstanding against the Property, Seller shall immediately provide written notice to the Buyer and each tenant of Property with a true copy of any notice of violations or orders issued and notify the enforcing officer in writing of Seller's intent to transfer the property.

20. RECEIPT AND ACKNOWLEDGMENT OF RI DISCLOSURE FORMS

Buyer acknowledges that Buyer has received the following forms (unless exempted by law): **(Initial all that apply)**

- _____
Rental Agreements and information in accordance with Section 17(a)
- _____
Rhode Island Real Estate Sales Disclosure Form prepared by Seller
- _____
Mandatory Real Estate Relationship Disclosure
- _____
Seller's Lead Disclosure **which is incorporated in this Agreement by reference**
- _____
Pamphlet "Protect Your Family from Lead in Your Home" that includes R.I. section "What You Should Know About the RI Lead Law"
- _____
Fact Sheet "Requirements for New Owner of Rental Properties" or "Requirements for Property Owners Who Own Ten or More Residential Rental Units" (Housing Resources Commission/R.I. Department of Health), whichever is applicable.

21. BUYER'S RIGHTS

(a) **Inspections:** R.I.G.L. § 5-20.8-4 states, "Every contract for the purchase and sale of real estate shall provide that a potential purchaser or potential purchasers shall be permitted a ten (10) day period, **exclusive of Saturdays, Sundays and holidays** to conduct inspections of the property and any structures thereon before the purchaser(s) becomes obligated under the contract to purchase. The parties have the right to mutually agree upon a different period of time; provided, a potential purchaser may waive this right to inspection in writing."

(b) **Notice of State Inspections:** In addition to the rights stated in subsection (a) above, a potential purchaser(s) shall be permitted a period of ten (10) days to conduct the following:

- (1) **Lead Inspection:** R.I.G.L. § 5-20.8-11 gives a potential purchaser the right to conduct a lead inspection. "Every Purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced Intelligence Quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the Buyer with any

information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

- (2) **Private Well Water Inspection:** R.I.G.L. § 5-20.8-12 provides the right to test the water quality of a private well in accordance with RI Department of Health regulations.
- (3) **Cesspool Inspection:** R.I.G.L. § 5-20.8-13 provides the right to inspect the property's on-site sewage system to determine if a cesspool exists and whether it is subject to the phase-out requirements as stated in R.I.G.L. § 23-19.15.
- (4) **Large Capacity Cesspools:** The Rhode Island Department of Environmental Management requires all "large capacity cesspools," which serve multi-unit residential properties to be abandoned and replaced with an approved Onsite Wastewater Treatment System (OWTS) or connected to sewer in accordance with R.I.G.L. §23-19.15-9.
- (5) **Minimum Notice for Access:** R.I.G.L. § 34-18-26 requires Seller to give each tenant a minimum of two (2) calendar days' notice before accessing the unit for an inspection or showing, so Buyer should plan accordingly.

22. WAIVER OF INSPECTIONS CONTINGENCY (Initial all that apply)

BUYER'S INITIALS

(a) If initialed by Buyer, Buyer waives all rights to inspections, including the 10-day period, **exclusive of Saturdays, Sundays and holidays**, in R.I.G.L. § 5-20.8-4, § 5-20.8-12 and § 5-20.8-13; this Agreement is not contingent on inspections, and Section 16 of this Agreement shall not apply.

BUYER'S INITIALS

(b) **Lead:** If initialed by Buyer, this Agreement is not contingent on a lead inspection, and Buyer waives Buyer's 10-day right to test/inspect for the presence of lead.

23. INSPECTIONS CONTINGENCY: Time is of the essence as it applies to Section 23.

- (a) Buyer shall have a ten (10) day period, **exclusive of Saturdays, Sundays and holidays** ("Inspections Contingency Deadline"), from the date of this Agreement to conduct and complete inspections, obtain inspection reports, deliver to Seller or Listing Licensee any and all requests relating to inspections, obtain Seller's response, and resolve all such requests with Seller in writing or this contingency shall be deemed waived.
- (b) The inspections shall be conducted at Buyer's expense by a recognized inspector(s) or inspection company of Buyer's choice. Inspections may include, but are not limited to, pest, cesspool/septic/sewer, radon, well water, lead, physical/mechanical, hazardous substances, wetlands and flood plain.
- (c) If Buyer wishes to terminate this Agreement because of the following:
 - (1) Buyer is not satisfied with the results of the inspections; or
 - (2) Buyer and Seller have not resolved any and all issues relating to inspections to Buyer's satisfaction; or
 - (3) Seller has not responded to Buyer's requests on or before the Inspections Contingency Deadline, then Buyer shall deliver a written notice of termination to Seller or Listing Licensee on or before the Inspections Contingency Deadline or any mutually agreed extensions of such Deadline. If Buyer fails to deliver such notice, this Contingency shall be deemed waived and Buyer will forfeit Buyer's right to terminate this Agreement based on the Inspections Contingency.

Additional Provisions:

Property being sold "as is as is."

24. CORRECTION OF ERRORS

Buyer and Seller agree to execute and deliver such other documents, instruments, and affidavits as may reasonably be required to complete the transaction including, but not limited to, any affidavits and agreements which may be required by the Lender(s) or the title insurance company..

25. NOTICES

All notices as required in specific Sections of this Agreement shall be in writing. All notices are to be conveyed by mail, personal delivery, electronic transmission, or fax. Notices shall be effective when postmarked, upon personal delivery, upon electronic transmittal date, or upon fax transmittal date. Notices to Seller, Buyer, Listing Licensee and Cooperating Licensee shall be sent or delivered to the address(es) below.

SELLERS:

Name(s): 140 Courtland St LLC

Mailing Address: P.O. Box 105 Medfield MA 02052

Fax: _____ Email: JHanson@INDMRTG.com

Listing Brokerage

Firm Name: KW Commercial (Elite Group) Mailing Address: 144 Wayland Av Providence

Name of Licensee: Michael A. Alves License #: B14141 RI 02906

Status: ☒ Designated Seller Representative ☐ Transaction Facilitator ☐ Dual Facilitator

Fax: 401-334-2500 Email: imcommercial@yahoo.com Phone: 401-523-9555

BUYERS:

Name(s): Jason Li and Jefferson Lee or Assignee

Mailing Address: 149 Pearl St #2 Newton MA 02458

Fax: _____ Email: JASN010@gmail.com

BUYER'S INITIALS

SELLER'S INITIALS

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Cooperating Brokerage:

Firm Name: KW Commercial (Elite Group) Mailing Address: 144 Wayland Av Providence
Name of Licensee: _____ License #: B14141 RI 02906
Status: ☐ Designated Buyer Representative ☒ Transaction Facilitator
Fax: _____ Email: imcommercial@yahoo.com Phone: 401-523-9555

26. DEFAULT

Upon default by Buyer, Seller shall have the right to the Deposits in accordance with Section 5, such right to be without prejudice to the right of Seller to require specific performance and payment of other damages, or to pursue any remedy, legal or equitable, which shall accrue by reason of such default. If Seller defaults in the performance of this Agreement, Buyer shall have the right to the Deposits in accordance with Section 5, and Buyer may pursue any and all remedies available at law or equity, including but not limited to specific performance. All disputes between Buyer and Seller over the disposition of the Deposits shall be governed by Section 5.

27. ASSIGNMENT

This Agreement may be assigned by either party without written consent of the other, and shall be binding upon the assigns of Buyer and Seller. However, this Agreement may not be assigned without the express written consent of Seller, if it contains a provision for Seller financing.

28. ACCURATE DISCLOSURE OF SELLING PRICE

Buyer and Seller certify that this Agreement and all Addenda accurately reflect the gross sales price as indicated in Section 3 of this Agreement. Buyer and Seller understand and agree that this information shall be disclosed to the Internal Revenue Service as required by law.

29. ADDENDUM/ADDENDA

The following addendum/addenda are made a part of this Agreement:

30. ADDITIONAL PROVISIONS

Property being sold "as is as is."

31. PREPARATION OF DOCUMENT CONFIRMATION CLAUSE

This Agreement was prepared by (check one): ☒ Listing Licensee ☐ Cooperating Licensee ☐ Other (please complete below)
Name: Michael A. Alves Address: 144 Wayland Av Providence RI 02906

32. CONSTRUCTION OF AGREEMENT

If two or more persons are named as Seller or Buyer, their obligations shall be joint and several. **Dates and deadlines are important. The Buyer and Seller are advised to act within the time required.**

33. ENTIRE AGREEMENT

Buyer and Seller agree that this Agreement contains the entire agreement between us, subject to no understandings, conditions, or representations other than those expressly stated. Buyer represents that Buyer has not relied on the oral representations of Seller, or Broker(s) or their affiliated licensees as to the character or quality of the Property. This Agreement may not be changed, modified, or amended in whole or in part except in writing, signed by all parties.

**NOTICE: THIS IS A LEGAL DOCUMENT THAT CREATES BINDING OBLIGATIONS.
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY.**

Buyer <u>Jason Li</u>	Date _____	Seller <u>140 Courtland St LLC</u>	Date _____
Buyer <u>Jefferson Lee</u>	Date _____	Seller _____	Date _____
Buyer <u>or Assignee</u>	Date _____	Seller _____	Date _____

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