

Bulk Sales Law Addendum to New Jersey Association of REALTORS®  
Standard Form of Real Estate Contract -118

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The New Jersey Bulk Sales Law, N.J.S.A. 54:50-38, (the “Law”) applies to the sale of certain residential property. Under the Law, the Buyer may be liable for taxes owed by the Seller if the Law applies and the Buyer does not deliver to the Director of the New Jersey Division of Taxation (the “Division”) a copy of this Contract and a notice on a form required by the Division (the “Tax Form”) at least 10 business days prior to the Closing. If the Buyer decides to deliver the Tax Form to the Division, the Seller shall cooperate with the Buyer by promptly providing the Buyer with any information that the Buyer needs to complete and deliver the Tax Form in a timely manner. The Buyer promptly shall deliver to the Seller a copy of any notice that the Buyer receives from the Division in response to the Tax Form.

If, prior to the Closing, the Division notifies the Buyer to withhold an amount (the “Tax Amount”) from the purchase price proceeds for possible unpaid tax liabilities of the Seller, the Buyer’s attorney or the Buyer’s title insurance company (the “Escrow Agent”) shall withhold the Tax Amount from the closing proceeds and place that amount in escrow (the “Tax Escrow”). If the Tax Amount exceeds the amount of available closing proceeds, the Seller shall bring the deficiency to the Closing and the deficiency shall be added to the Tax Escrow. If the Division directs the Escrow Agent or Buyer to remit funds from the Tax Escrow to the Division or some other entity, the Escrow Agent or Buyer shall do so. The Escrow Agent or Buyer only shall release the Tax Escrow, or the remaining balance thereof, to the Seller (or as otherwise directed by the Division) upon receipt of written notice from the Division that it can be released, and that no liability will be asserted under the Law against the Buyer.

Dated: \_\_\_\_\_  
\_\_\_\_\_ Buyer

Dated: \_\_\_\_\_  
\_\_\_\_\_ Buyer

Dated: \_\_\_\_\_  
\_\_\_\_\_ Seller

Dated: \_\_\_\_\_  
\_\_\_\_\_ Seller