

ROANOKE VALLEY ASSOCIATION OF REALTORS®



Purchase Agreement



Legal and Binding Agreement

(This is a suggested form for use in the purchase of residential property only. If not understood, seek competent advice before signing.)
(Paragraphs marked with an asterisk * require a blank to be filled in or checked.)

This CONTRACT OF PURCHASE MADE AS OF _____, _____ between _____ (the "Seller",
whether one or more), and _____ (the "Purchaser",
whether one or more), provides:

***1. REAL PROPERTY:** Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon located in the (check as applicable) () County or
() City of _____, Virginia and described as (legal description): Lot _____,
Block _____, Section _____, Phase _____, Map of _____
or other description _____
and more commonly known as: _____
together with the items of personal property described in paragraph 10 (the "Property").

AGENCY DISCLOSURE AND CONFIRMATION

The following agency relationships are hereby confirmed by signatures below. If a transaction involves Disclosed Dual Agency or Disclosed Designated Agency, the responsibilities of the parties are defined in the Disclosed Dual Agency Consent and Confirmation Agreement or the Designated Agency Consent and Confirmation Agreement which appropriate Agreement has been reviewed and signed prior to signing the Purchase Agreement.

Listing Agent: _____ is the agent of (check one) _____ the Seller _____ both the Purchaser and Seller	Selling Agent: _____ is the agent of (check one) _____ the Purchaser _____ the Seller _____ both the Purchaser and Seller
Listing Firm: _____ Principal and/or Supervising Broker is the agent of (check one) _____ the Seller _____ both the Seller and the Purchaser	Selling Firm: _____ Principal and/or Supervising Broker is the agent of (check one) _____ the Purchaser _____ the Seller _____ both the Purchaser and the Seller

**REALTORS® ARE REQUIRED BY LAW AND THEIR CODE OF ETHICS TO
TREAT ALL PARTIES TO THE TRANSACTION HONESTLY.**

SELLER _____ Date _____

PURCHASER _____ Date _____

SELLER _____ Date _____

PURCHASER _____ Date _____

2. ADDENDA/DISCLOSURES: The following Addenda are made a part of this Contract and the following disclosures are provided, if applicable:

- | | |
|---|-------------------------------------|
| () Standard Clauses Addendum | () Residential Property Disclosure |
| () Lake Addendum | () Lead-Based Paint Disclosure |
| () Dual Agency Consent and Confirmation Addendum | () Lake Disclosure |
| () Designated Agency Consent and Confirmation Addendum | () Residential Septic Disclosure |
| () _____ | () _____ |
| () _____ | () _____ |

***3. OCCUPANCY DISCLOSURE:** Purchaser acknowledges that he intends to ____ occupy ____ not occupy the property as a principal residence.

***4. RESIDENTIAL PROPERTY DISCLOSURE:** Seller represents that the Property () is OR () is not subject to the Virginia Residential Property Disclosure Act, Section 55.1-700 et. seq. of the Code of Virginia (the "Disclosure Act"), which requires the Seller of certain residential property to furnish the Purchaser a residential property disclosure statement in a form provided by the Real Estate Board ("the Disclosure Statement.") The Disclosure Act requires the Seller to deliver the Disclosure Statement to the Purchaser prior to acceptance of this Contract. If the Disclosure Statement is not furnished prior to the acceptance of this Contract, Purchaser shall have the right to terminate the Contract at or prior to the earliest of (a) three (3) days after delivery of the Disclosure Statement in person, or (b) five days after the postmark if the Disclosure Statement is deposited in the United States mail, postage prepaid, and properly addressed to the Purchaser, or (c) settlement upon purchase of the Property, or (d) occupancy of the Property by the Purchaser, or (e) the execution by Purchaser of waiver of the Purchaser's right of termination contained in a written document separate from this Contract, or (f) the Purchaser making written application to a lender for a mortgage loan where such application contains a disclosure that the right of termination shall end upon the application for the mortgage loan. In order to terminate this Contract, the Purchaser must give written notice to the Seller by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid provided the sender retains sufficient proof of mailing; (iii) electronic means provided the sender retains sufficient proof of the electronic delivery; or (iv) overnight delivery using a commercial service or the United States Postal Service. Upon termination by Purchaser, the Deposit shall be refunded in full to the Purchaser, in accordance with procedures defined in paragraph 11(a).

***5. PROPERTY OWNER'S ASSOCIATION DISCLOSURE:** Seller represents that the Property () is OR () is not located within a development which is subject to the Virginia Property Owners Association Act Section 55.1-1800 et. seq. of the Code of Virginia (the "Act"). If the Property is within such a development, the Act requires the Seller to obtain from the property owners association an association disclosure packet and provide it to the Purchaser or to notify Purchaser that the packet is unavailable. The information contained in the association disclosure packet shall be current as of a date specified on the association disclosure packet. If the Purchaser has received the association disclosure packet, the Purchaser has the right to request an association disclosure packet update or financial update in accordance with Section 55.1-1810 of the Act. The Purchaser may cancel this Contract (a) within ____ days (between 3 and 7; if blank, 3) after the Date of the fully executed Contract, if on or before the Date of the fully executed Contract, the Purchaser receives the association disclosure packet or is notified that the association disclosure packet is not available; (b) within ____ days (between 3 and 7; if blank, 3) after receiving the association disclosure packet if the association disclosure packet or notice that the association disclosure packet will not be available is hand-delivered or delivered by electronic means or delivered by a commercial overnight delivery service or the United States Postal Service and a receipt obtained; or (c) within ____ days (between 6 and 10; if blank, 6) after the post mark date if the association disclosure packet or notice that the association disclosure packet will not be available is sent to the Purchaser by United States mail. The Purchaser may also cancel this Contract at any time prior to settlement if the Purchaser has not been notified that the association disclosure packet will not be available from the association or the association disclosure packet is not delivered to the Purchaser. Written notice of cancellation shall be made to the Seller within the cancellation period by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid provided the sender retains sufficient proof of mailing; (iii) electronic means provided the sender retains sufficient proof of the electronic delivery; or (iv) overnight delivery using a commercial service or the United States Postal Service. The sender shall have the burden to demonstrate delivery of the cancellation notice. If this Contract is cancelled pursuant to this paragraph, such cancellation shall be without penalty, this Contract shall terminate and the Deposit shall be refunded in full to the Purchaser in accordance with the procedure defined in paragraph 11(a). The right to receive the association disclosure packet and to cancel this Contract are waived conclusively if not exercised before settlement.

***6. CONDOMINIUM DISCLOSURE:** The Seller represents that the Property () is OR () is not a condominium resale, which is subject to the Virginia Condominium Act Section 55.1-1900 et. seq., of the Code of Virginia (the "Condominium Act"). If the Property is subject to the Condominium Act, the Condominium Act requires the Seller to obtain from the unit owners' association a resale certificate and provide it to the Purchaser. The information contained in the resale certificate shall be current as of a date specified on the resale certificate. If the Purchaser has received the resale certificate, the Purchaser has the right to request a resale certificate update or financial update in accordance with Section 55.1-1992 of the Condominium Act. The Purchaser may cancel the Contract (a) within ____ days (between 3 and 7; if blank, 3) after the date of the Contract, if on or before the date that the Purchaser signs the contract the Purchaser received the resale certificate or is notified that the resale certificate will not be available; (b) within ____ days (between 3 and 7; if blank, 3) after receiving the resale certificate or notice that the resale certificate will not be available if the resale certificate is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United States Postal Service and a receipt obtained; or (c) within ____ days (between 6 and 10; if blank, 6) after the postmark date if the resale certificate or notice that the resale certificate will not be available is sent to the Purchaser by United States mail. Written notice of cancellation shall be made to the unit owner selling the unit by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid provided the sender retains sufficient proof of mailing; (iii) electronic means provided the sender retains sufficient proof of the electronic delivery; or (iv) overnight delivery using a commercial service or the United States Postal Service. The sender shall have the burden to demonstrate delivery of the cancellation notice. Such cancellation shall be without penalty, and the unit owner shall cause any deposit to be returned promptly to the Purchaser, in accordance with procedures defined in paragraph 11(a). The right to receive the resale certificate and the right to cancel the Contract are waived conclusively if not exercised before settlement.

7. MECHANIC'S LIEN DISCLOSURE:

(a) Virginia law (§ 43-1 et seq.) permits persons performing labor or furnishing materials of the value of \$50 or more, including the reasonable rental or use value of equipment, for site development improvements and/or for the construction, removal, repair or improvement of any building or structure permanently annexed to the property shall have a lien, if perfected, against the property. This lien may be filed at any time after the work is commenced or material furnished, but not later than 90 days from the last day of the month in which the lienor last performs labor or furnishes materials, and in no event later than 90 days from the time such building or structure is completed or the work thereon is otherwise terminated. **AN ENFORCEABLE LIEN FOR WORK PERFORMED OR MATERIALS PROVIDED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.**

(b) Seller shall deliver to Purchaser at settlement an affidavit, on a form acceptable to Purchaser's lender, if applicable, signed by Seller that no labor or materials have been furnished to the Property within the statutory period for the filing of mechanics' or materialmen's liens against the Property. If labor or materials have been furnished during the statutory period, Seller shall deliver to Purchaser an affidavit signed by Seller and the person(s) furnishing the labor or materials that the costs thereof have been paid.

8. FAIR HOUSING DISCLOSURE: All offers shall be presented and considered without regard to race, color, religion, sex, disability, familial status, elderliness, national origin, sexual orientation, gender identity, status as a veteran or source of funds as well as all classes protected by the laws of the United States, the Commonwealth of Virginia, applicable local jurisdiction and the REALTOR® Code of Ethics.

9. MEGAN'S LAW DISCLOSURE: Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on any sexual offenders registered under Chapter 23 (19.2-387 et seq.) of Title 19.2. Such information may be obtained by contacting your local police department or the Department of State Police, Central Criminal Records Exchange, at 804-674-2000 or www.vsp.state.va.us.

10. FIXTURES / PERSONAL PROPERTY INCLUDED: Fixtures are included with the sale of the above real estate (if located within said Property at time of signing this agreement, unless otherwise noted) including built-in appliances in kitchen, shades, blinds, curtain and drapery rods, screens and screen doors, storm windows and doors, light fixtures, wall to wall carpeting, laundry tubs, attic fan, smoke, heat and carbon monoxide alarms, awning, electrical wiring connections for appliances, ceiling fan(s), garage door opener(s), all shrubbery and plantings on the Property and all other items attached to the real estate and being a part thereof. Personal property as indicated below shall be conveyed as a convenience to both parties and adds no additional value to the transaction.

***11. PURCHASE PRICE:** The Purchase Price of the Property is

(\$ _____) Dollars, which will be paid to Seller at settlement, subject to the prorations described herein and/or from the following sources:

(A) DEPOSIT: Purchaser will make a deposit in the amount of _____ Dollars (\$ _____)

- to be held by _____ (the "Escrow Agent")
- in the form of: () check; OR () other _____ (the "Deposit").
- Purchaser (select one) () has paid the Deposit to the Escrow Agent OR () shall deliver the Deposit to the Escrow Agent within five (5) Business

Days after the date this Contract is fully executed by the parties. If Purchaser fails to deliver the Deposit as set forth herein, then Purchaser will be in breach of this Contract. At Seller's option and in lieu of all other remedies set forth in this Contract, Seller may terminate this Contract by written notice to Purchaser and neither party will have any further obligation hereunder. If the Escrow Agent is a Virginia Real Estate Board ("VREB") licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account by the end of the fifth business banking day following the latter of: (i) the date this Contract is fully executed by the parties, or (ii) the receipt of Deposit. If the Escrow Agent is not a VREB licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account in conformance with applicable Federal or Virginia law and regulations. The Deposit may be held in an interest bearing account and the parties waive any claim to interest resulting from such Deposit. The Deposit will not be released by the Escrow Agent until one of the following occurs: (i) it is credited toward the Purchase Price at Settlement; (ii) Seller and Purchaser have agreed in writing as to its disposition; (iii) a court of competent jurisdiction orders a disbursement of the funds; or (iv) disbursed in such manner as authorized by the terms of this Contract or by Virginia law or regulations. If the Property is foreclosed upon while this Contract is pending, the terms of Section 54.1-2108.1 of the Code of Virginia will apply to the disbursement of the Deposit. Foreclosure shall be considered a termination of this Contract by Seller and absent any default by Purchaser, the Deposit will be disbursed to the Purchaser.

(B) LENDER'S FIRST TRUST: This sale is subject to Purchaser obtaining:

() CONVENTIONAL, () FHA, () VA, () Virginia Housing, or () other (describe) _____ loan secured by a first deed of trust lien on the Property in the principal amount of \$ _____, amortized over a term of _____ years, bearing interest:

() at a fixed rate not exceeding _____ % per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee () at an adjustable rate with an initial rate not exceeding _____ % per year and a maximum rate during the term of the loan not exceeding _____ % per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee.
() at the prevailing rate of interest at the time of settlement.

(C) THIRD PARTY SECOND TRUST: This sale is subject to Purchaser obtaining a loan secured by a second deed of trust lien on the Property in the principal amount of \$ _____, amortized over a term of _____ year, bearing interest:

() at a fixed rate not exceeding _____ % per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee
() at an adjustable rate with an initial rate not exceeding _____ % per year and a maximum rate during the term of the loan not exceeding _____ % per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee.

(D) OTHER DEPOSIT/FINANCING TERMS:

(E) BALANCE OF THE PURCHASE PRICE: To be paid by Purchaser in cash, cashier's check, certified check or wire transfer funds at settlement.

***12. CASH CONTRACT:** If this is a cash contract not subject to any financing, then Purchaser shall give Seller written verification from his bank or other sources within _____ Business Days from the date this Contract is executed by Purchaser and Seller that the Purchaser has the assets or ability to have the balance of the Purchase Price on or before the closing date of this Contract. Failure to have written verification from bank or other sources to Seller within the stated time period will give the Seller the right to terminate this Contract upon written notice to Purchaser and thereupon Purchaser's Deposit will be refunded in full, in accordance with procedures defined in paragraph 11A. After the bank or other sources provide written verification, if the Purchaser fails to close for any reason other than the Seller's default or a condition of this Contract, the Purchaser will be in default.

***13. LOAN APPLICATION:** Purchaser will make written application for any loan to which this Contract is subject within _____ Business Days, as defined in Standard Provision G (e), after full execution of this Contract and will make every effort to secure the loan and will accept the loan once approved. If Purchaser fails to make written application within the time specified, Seller at its option will have the right to terminate the Contract upon written notice to Purchaser. If the Purchaser makes timely application and, having made every effort, fails to obtain approval on or before _____ (date), Purchaser will not be deemed in default, but Seller will nevertheless have the right to terminate the Contract upon written notice to Purchaser; in that event, Purchaser will be entitled to refund of the Deposit. Absent such notice from Seller, the time for loan approval will be automatically extended until Seller notifies Purchaser of termination. In this paragraph the word "approval" with respect to the loan means the written commitment of the lender to make the loan without the fulfillment

of conditions dependent upon the actions of third parties, such as the sale or settlement or lease of other real estate or increase in salary unless otherwise agreed to in writing by all parties. If Purchaser makes every effort to obtain the loan, but fails and this Contract is terminated, Purchaser will be entitled to return of the Deposit, in accordance with procedures defined in paragraph 11A. The Purchaser grants permission for the Selling Agent and the lender to disclose to the Seller's Agent general information available about the progress of the loan application and loan approval process.

In the event the lender requires repairs as condition for loan approval, the Purchaser will provide the Seller or Seller's Agent a copy of the repairs required by the lender as a condition for loan approval as soon as the list of repairs is available from the lender. Seller will notify Purchaser in writing within five (5) **Business Days** after receiving the written list of repairs whether: (a) Seller will make the repairs as a condition for loan approval. All repairs made on behalf of the Seller shall be completed prior to closing and will be performed by a Virginia licensed contractor unless otherwise agreed in writing by all parties, or (b) if Seller is unwilling to correct the problems, the Purchaser will have five (5) **Business Days** within which to notify Seller in writing if (1) Purchaser elects to make the repairs as condition of loan approval. All repairs made on behalf of Purchaser shall be completed prior to closing and will be performed by a Virginia licensed contractor unless otherwise agreed in writing by all parties. Or (2) Purchaser elects to terminate this contract and receive a refund of the Deposit, in accordance with procedures defined in paragraph 11A. In the event Purchaser does not respond in writing within the specified time period, Seller will have the right to terminate the Contract upon notice to Purchaser, and Purchaser will be entitled to return of the Deposit in accordance with procedures defined in paragraph 11A.

The Purchaser shall be in default if settlement does not occur because the Purchaser:

- (a) Fails to apply for any loan on the same terms set forth in this Contract; or
- (b) Fails to lock-in the interest rate(s) and the rate(s) increase so that the Purchaser no longer qualifies for such financing; or
- (c) Fails to comply with lender's requirements in a timely manner; or
- (d) Does not have the funds to settle as provided in this Contract at the time of settlement; or
- (e) Fails to notify lender, Seller or Listing Firm promptly of any material adverse change in Purchaser's financial situation that affects Purchaser's ability to obtain the financing; or
- (f) Does any act or fails to do any act following the date of full execution of this Contract that prevents the Purchaser from obtaining the financing; or
- (g) Makes any knowingly false representations, material omission or other inaccurate submission or statement that result in Purchaser's inability to secure the financing.

***14. INSPECTIONS AND RESOLUTION OF INSPECTION ISSUES:**

A. Inspections: Purchaser's obligations under this Contract () are **OR** () are not contingent on Purchaser obtaining one or more inspections of the Property, which may include, but is not limited to, inspections for, or of, the following: foundations, roofs, flooring, HVAC and electrical systems, plumbing, appliances, exterior insulation, drainage, structural issues, well, septic, wood-destroying organisms, environmental, ~~or~~ radon or appurtenant residential (non-commercial) dock(s). All such inspections will be conducted at Purchaser's sole cost and expense unless otherwise required by lender and will be conducted by engineers, inspectors and/or contractors any of whom will be licensed in Virginia (as required by the Commonwealth of Virginia). All inspections will be completed not later than **Business Days** after full ratification of this Contract (the "Inspection Deadline"). If Purchaser's inspection(s) reveal the need for additional inspections as recommended by the engineer, inspector or contractor, Purchaser will notify Seller in writing prior to the Inspection Deadline and the Inspection Deadline will be extended no more than seven (7) **Business Days** to conduct such additional inspections. If Purchaser fails either to conduct the inspections in the time specified or to provide the materials as set out in Paragraph 14B below by the Inspection Deadline or as it may have been extended, the right to conduct such additional inspections will be deemed waived by Purchaser. **Purchaser will be liable for any damage caused as a result of the actions of Purchaser or its engineers, inspectors or contractors on the Property in connection with Paragraph 14A. Such obligation will survive earlier termination of this Contract as to any damage on the Property.** The reports for the inspections will be collectively referred to as the "Inspection Reports" and each individually as an "Inspection Report."

Any septic inspection will be conducted by a licensed or accredited septic inspector, onsite sewage system operator, onsite sewage system installer, or onsite soil evaluator ("Septic Inspector") at Purchaser's sole expense within the Inspection Deadline. A septic inspection may include, but is not limited to, visual inspection of drainfield surface and/or visual inspection of septic tank which may include pumping of contents. Purchaser will give Seller advance notice of inspection. The Seller will remove any landscaping, personal property, or improvement that impedes the septic inspection. Seller's delay in removing any such impediments and providing access to the septic system will result in an automatic extension of the Inspection Deadline for the purpose of conducting the septic inspection, for a time equaling the time of Seller's delay in complying and giving Purchaser notice of such compliance.

Seller will allow Purchaser, Purchaser's engineers, inspectors and contractors, Selling Firm and representatives of Purchaser's lenders reasonable access to the Property to conduct inspections as appropriate and in compliance with this Contract.

Seller will have all utilities, systems and appliances that convey in service at the time of all inspections conducted pursuant to this Contract.

Seller's delay in complying with the provisions of Paragraph 14A will result in automatic extension, for a time equaling the time of Seller's delay in complying and giving Purchaser notice of such compliance, for Purchaser to complete any inspection.

B. Resolution of Inspection Issues: Not later than the end of the Inspection Deadline or as it may have been extended, Purchaser will deliver to Seller, Listing Agent and Selling Agent a complete copy of each Inspection Report dealing with a requested repair, together with a repair addendum to the Contract setting forth Purchaser's requested repairs ("Repair Addendum"). Purchaser acknowledges the Repair Addendum shall not include cosmetic items or matters of preference; grandfathered features or systems that are properly functioning, but which would not comply with current building codes if installed or constructed today; and features or systems that are properly functioning but near, at or beyond their normal useful life. If Purchaser makes timely delivery of the Repair Addendum and copies of all required Inspection Reports, then the parties will have **Business Days** (if blank, 3) after Purchaser's delivery to negotiate a mutually agreeable Repair Addendum ("Negotiation Period"). During negotiations of such Repair Addendum, the parties may make, alter, extend or withdraw offers and counter-offers as they each believe appropriate in an effort to reach agreement. Rejection by one party of an offer by another will not of itself terminate the negotiation process. The parties will continue the process of negotiation until either the parties mutually agree on and execute the Repair Addendum setting out the agreed resolution, or the parties cannot agree on the Repair Addendum. If no agreement is reached by the end of the Negotiation Period, Purchaser will have two (2) **Business Days** thereafter to terminate this Contract. Failure of Purchaser to terminate within such time will constitute Purchaser's acceptance of the Property and the contingencies related to inspections will be deemed satisfied, waived and removed, and this Contract will remain in full force and effect. In the event this Contract is terminated, the parties will enter into a mutual release, and the Deposit will be refunded in full to Purchaser in accordance with the provisions of Paragraph 11A above.

C. Purchaser Option: This Paragraph (select one): () is **OR** () is not applicable. If no box is checked, this Paragraph is not applicable. If this Paragraph is applicable and Purchaser is dissatisfied with their inspection results of the Property, then in lieu of submitting a Repair Addendum to Seller, Purchaser may instead terminate this Contract by written notice to Seller prior to the Inspection Deadline or as it may have been extended, including written evidence of inspection(s) performed; provided, however, if Purchaser submits a Repair Addendum to Seller, then Purchaser waives their right to terminate this Contract pursuant to this Paragraph, and agrees to proceed with the negotiation of the Repair Addendum as set forth above. If Purchaser terminates this Contract in accordance with this Paragraph, the Deposit will be refunded in full to Purchaser in accordance with the provisions of Paragraph 11A above. Upon request by Seller, Purchaser will provide entire copies of any Inspection Reports.

D. If Purchaser fails to make timely delivery of Repair Addendum or termination prior to the Inspection Deadline or as it may have been extended, then the contingencies related to inspections will be deemed satisfied, waived and removed, and this Contract will remain in full force and effect.

***15. INFLOW AND INFILTRATION INSPECTION:** Purchaser's obligations under this Contract () are **OR** () are not contingent on Purchaser receiving an Inflow and Infiltration Inspection provided by the Western Virginia Water Authority ("Authority"). Seller will request an Inflow and Infiltration Inspection by the Authority, not later than _____ **Business Days** after ratification of this Contract, to determine if any storm/ground water runoff infiltrates the Authority's sanitary sewer system ("Report"). Seller will deliver the Report to Purchaser within three (3) **Business Days** of receipt of the Report. If the Report shows such infiltration into the Authority's sewer system, Seller will remedy such situation at Seller's expense. If Seller refuses to remedy such situation, Purchaser will have two (2) **Business Days** thereafter to terminate this Contract. Failure of Purchaser to terminate within such time will constitute Purchaser's acceptance of the Property in its condition as to the infiltration in question.

16. PREOCCUPANCY OR PRESETTLEMENT VERIFICATION:

(A) If Purchaser's obligations under this Contract are contingent on professional inspection(s) as set out in Paragraph 14, then Purchaser shall be entitled to receive the Property at settlement or occupancy, whichever occurs first, in such condition as determined by such inspection(s) and any negotiation and agreements relating to it. Purchaser and Selling Agent and original Inspector(s) will have the right to conduct a preoccupancy or presettlement verification that the condition of the Property conforms to this Contract and that any agreed upon repairs have been completed. Purchaser will not be entitled to require Seller to correct defects discovered at a preoccupancy or presettlement verification but existing as of the time of a prior inspection of the Property if those defects were not reported to Seller in connection with such prior inspection or Seller has not agreed to remedy such defects.

(B) If Purchaser's obligations under this Contract are not contingent on any one or more of the inspections set out in Paragraphs 14 and 15, then Seller will deliver any and all items contemplated in Paragraphs 14 and 15 at settlement in their condition as of the date of ratification of this Contract, ordinary wear and tear excepted. Purchaser and Selling Agent will have the right to conduct a preoccupancy or presettlement verification that the condition of the Property conforms to this Contract.

(C) In the event the preoccupancy or presettlement verification reveals material damage or changes necessitating repairs have occurred to the Property after the date of this Contract or any prior inspection, as applicable, Seller's obligations and Purchaser's options are subject to the Seller Obligation Limit set forth in Paragraph 17 of this Contract.

(D) Seller will allow Purchaser, Purchaser's original engineers, inspectors and contractors, Selling Firm and representatives of Purchaser's lenders reasonable access to the Property to conduct preoccupancy or presettlement verification in accordance with Paragraphs 16A and 16B.

Seller will have all utilities, systems and appliances that convey in service at the time of all inspections and/or preoccupancy or presettlement verification to be conducted pursuant to this Contract, including those provided for in any separate provision or addendum dealing with inspections of the Property.

Seller agrees to deliver the Property in broom-clean condition and to exercise reasonable and ordinary care in the maintenance and upkeep of the Property between the date of this Contract and the earlier of Purchaser's occupancy or settlement.

Seller's delay in complying with the provisions of this subparagraph D may result in a delayed settlement

(E) Unless otherwise agreed in writing by all parties, all repairs made pursuant to the provisions of Paragraphs 14, 15 and 16 will be performed by a pest control company and/or certified radon mitigator and/or contractor who will be licensed in their discipline by the Commonwealth of Virginia. Written evidence shall be provided to the Purchaser upon completion of work. If Seller fails to deliver the Property in the condition required by Paragraph 16, or if the preoccupancy or presettlement verification reveals material damage or changes necessitating repairs occurring after any prior inspection of the Property or date of Contract, as applicable, and Seller refuses to make the appropriate repairs, Purchaser will have the right to terminate this Contract and receive a refund of the Deposit in accordance with procedures defined in Paragraph 11A, or to waive the repairs and proceed to settlement with no adjustment to the Purchase Price.

***17. SELLER'S AND PURCHASER'S OPTIONS:** In the event that the cost of fulfilling Seller's obligations, as set forth in **Paragraph 16C (Preoccupancy or Presettlement Verification)** and **Paragraph 29 (D) (Title)** of this Contract exceeds \$ _____ in the aggregate (the "Seller Obligation Limit"), Seller will have the option to (a) fulfill Seller's obligations fully at Seller's expense or (b) pay or credit the Seller Obligation Limit to Purchaser if lender allows (or contractor of Purchaser's choice) and refuse to pay any excess over that amount. If Seller elects (b), Purchaser will have the option to (x) accept the Property in its present condition in which case Seller will pay the Seller Obligation Limit to Purchaser if lender allows (or contractor of Purchaser's choice) at settlement or (y) terminate this Contract and receive a refund of the Deposit, in accordance with procedures defined in Paragraph 11A. **If no amount is entered in the space in this paragraph, the parties agree that the Seller Obligation Limit will be equal to \$1000.**

***18. LEAD-BASED PAINT DISCLOSURE:** All parties to this Contract acknowledge that the property was built () before January 1, 1978 or () after January 1, 1978. For all homes built prior to January 1, 1978, a Lead-Based Paint Disclosure is required.

19. DEFAULT: If either Seller or Purchaser defaults under this Contract, the defaulting party, in addition to all other remedies available at law or in equity, will be liable for the brokerage fee set forth in Paragraph 23 as if this Contract had been performed and for any damages and all expenses incurred by the non-defaulting party, the Listing Firm and the Selling Firm in connection with this transaction and the enforcement of any provisions of this Contract, including, without limitation, reasonable attorneys' fees and costs, if any. Payment of a brokerage fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Contract will not relieve the defaulting party of liability for any other fees due in connection with this transaction. The parties specifically intend this provision to be for the benefit of the Listing Firm and Selling Firm and to create a right of recovery in favor of both for breach of the provisions hereof. Purchaser further agrees, should Purchaser be the defaulting party, in addition to standard Contract remedies and damages, to be responsible for all reasonable expenses

incurred by Seller in preserving the Property and attempting to resell it, including but not limited to interest paid on loans in existence on the Property at the time of breach to the time of resale, loss of use equity and the difference between the net sales proceeds of this Contract and the final net sales proceeds of the resale.

20. CHOICE OF SETTLEMENT AGENT: Chapter 10 (§55.1-100 et seq.) of Title 55.1 of the Code of Virginia provides that the purchaser or borrower has the right to select the settlement agent to handle the closing of this transaction. The settlement agent's role in closing this transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, the lender for the purchaser will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.

Variation by agreement: The provisions of Chapter 10 (§55.1-1000 et seq.) of Title 55.1 of the Code of Virginia may not be varied by agreement, and rights conferred by this chapter may not be waived. The seller may not require the use of a particular settlement agent as a condition of the sale of the property.

Escrow, closing and settlement service guidelines: The Virginia State Bar issues guidelines to help settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, settlement or closing services. As a party to a real estate transaction, the purchaser or borrower is entitled to receive a copy of these guidelines from his settlement agent, upon request, in accordance with the provisions of Chapter 10 (§55.1-1000 et seq.) of Title 55.1 of the Code of Virginia.

21. TITLE INSURANCE DISCLOSURE: Purchaser may, at Purchaser's expense, purchase owner's title insurance to protect Purchaser's ownership interest in the Property. Virginia law (Va. Code §55.1-903) requires Purchaser's settlement agent to provide Purchaser notification of the availability of owner's title insurance, including mechanic's lien coverage, and of the general nature of such coverage, including whether the value of subsequent improvements is covered, and to obtain a written statement from Purchaser acknowledging the foregoing and whether Purchaser elects to obtain owner's title insurance. Purchaser may purchase either "standard" or "enhanced" owner's coverage. For purpose of owner's policy premium rate disclosure by Purchaser's lender, if any, Purchaser requests that enhanced owner's title insurance rates be quoted by Purchaser's lender. **Purchaser acknowledges that the authorization to quote enhanced owner's coverage does not obligate Purchaser to obtain any owner's title insurance coverage and that the availability of enhanced coverage is subject to underwriting criteria of the title insurer.**

* **22. SETTLEMENT; POSSESSION:** Settlement will be made at offices of _____
on or about _____. Possession of the Property will be given at settlement, unless otherwise agreed in writing by the parties. Seller and Purchaser authorize and direct settlement agent to provide a copy of the closing disclosure and closing statement for the transaction to the Seller, Purchaser, Listing Firm and Selling Firm. To facilitate provision of the closing disclosure and other closing documents, Purchaser hereby authorizes Purchaser's lender and/or settlement agent to transmit the closing disclosure to Purchaser by electronic means.

23. BROKERAGE FEE: Seller represents that he has agreed to pay a total brokerage fee as per the Listing Agreement (brokerage fee). Seller hereby authorizes and directs the settlement agent to disburse to the Listing Firm and Selling Firm from Seller's proceeds the respective portions of the fee at settlement.

***24. ASSIGNABILITY:** This Contract () may OR () may not be assigned without the written consent of the Purchaser and the Seller. If the Purchaser and the Seller agree in writing to an assignment of this Contract, the original parties to this Contract remain obligated hereunder until settlement.

25. FACSIMILES: One or more counterparts to this Contract may be signed, all of which shall be considered the same instrument. Each of the counterparts will be an enforceable original. Signed documents and counterparts received via electronic or facsimile transmission will be considered originals and are likewise enforceable.

26. ATTORNEY'S FEES: In any action or proceeding involving a dispute between the Purchaser, the Seller, the Listing and/or Selling Firm arising out of this Contract, or to collect the Brokerage Fee, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees to be determined by the court or arbitrator(s).

***27. HOME WARRANTY PROGRAM:** Purchaser has been advised of the availability of a one year warranty program and () declines coverage **OR** () elects to purchase the home warranty program. The cost of the home warranty program is not to exceed \$ _____ and is to be paid by () Purchaser **OR** () Seller at settlement.

28. ADDITIONAL TERMS: (Use this space for additional terms not covered in this Contract _____

29. STANDARD PROVISIONS AND DEFINITIONS:

A. EXPENSES AND PRORATIONS: Seller agrees to pay the expense of preparing the deed and owner/seller affidavit, Seller's settlement fee, certificates for non-foreign status and the recordation tax applicable to grantors. Except as otherwise agreed herein, all other expenses incurred by Purchaser in connection with this purchase shall be borne by the Purchaser. All taxes, assessment, interest, rent, escrow deposits and other ownership fees, if any, shall be prorated as of the date of settlement. **In addition to the Purchase Price, Purchaser agrees to pay Seller for all fuel oil or propane remaining in the tank (if applicable) at the prevailing market price as of the date of settlement.**

B. LAND USE ASSESSMENT: In the event the Property is taxed under land use assessment and this sale results in disqualification from land use eligibility, Seller shall pay any rollback taxes assessed. If the Property continues to be eligible for land use assessment, Purchaser agrees to make application, at Purchaser's expense, for continuation under land use, and to pay any rollback taxes resulting from failure to file or to qualify. Notwithstanding anything herein to the contrary, the provisions of this paragraph shall survive settlement and the delivery of the deed of bargain and sale.

C. RISK OF LOSS: All risk of loss or damage to the Property by fire, windstorm, casualty or other cause, or taking by eminent domain, is assumed by Seller until settlement. In the event of substantial loss or damage to the Property before settlement, Purchaser will have the option of either (i) terminating this Contract and recovering the Deposit, in accordance with procedures defined in paragraph 11A or (ii) affirming this Contract, in which event Seller will assign to Purchaser all the Seller's rights under any applicable policy or policies of insurance and any condemnation award and pay over to Purchaser any sums received as result of such loss or damage.

D. TITLE: At settlement, Seller will convey the Property to Purchaser by a General Warranty deed containing English Covenants of Title (except that the deed from a personal representative of an estate or from a trustee will be a Special Warranty deed), free of all encumbrances, tenancies and liens (except for taxes not yet due and payable), but subject to such restrictive covenants and easements of record which do not unreasonably impair the use of the Property for its intended purpose or render the title unmarketable. If the property does not abut a public road, title to the Property must include a recorded easement providing adequate access thereto. In the event this sale is subject to a financing contingency under paragraph 11, the access to a public road must be acceptable to each such lender. If the examination or survey reveals a title defect of a character that can be remedied by legal action or otherwise within a reasonable time, Seller, at its expense, shall promptly take such action as is necessary to cure such defect or perform in accordance with Paragraph 17. If the defect is not cured within thirty (30) days after Seller receives notice of the defects, then either party may terminate this Contract at the expiration of such thirty (30) day period and the Deposit shall be refunded to Purchaser, in accordance with procedures defined in paragraph 11A. Upon the making of such refund, this Contract will be terminated. The parties agree that the settlement date prescribed in paragraph 22 will be extended if necessary to enable Seller to cure any title defect, but not for more than thirty (30) days, unless agreed by all parties.

E. CERTIFICATES: Seller will deliver to Purchaser and/or Settlement Agent such certificates or documents as may be required by local, state and federal authorities for tax and residency purposes.

F. MISCELLANEOUS: This Contract represents the entire agreement between Seller and Purchaser and may not be modified or changed except by written instrument executed by the parties. This Contract will be construed, interpreted and applied according to the laws of the Commonwealth of Virginia and the Seller and Purchaser hereby bind themselves, their heirs, successors, assigns, executors and/or administrators for the faithful performance of the Agreement. To the extent any handwritten or typewritten terms herein conflict with, or are inconsistent with the printed terms hereof, the handwritten or typewritten terms will control. All rights, powers and privileges conferred hereunder will be cumulative to, but not instead of, those otherwise available at law or in equity. **UNLESS OTHERWISE PROVIDED HEREIN, THE REPRESENTATIONS AND WARRANTIES MADE BY SELLER HEREIN AND ALL OTHER PROVISIONS OF THIS CONTRACT WILL BE DEEMED MERGED INTO THE DEED DELIVERED AT SETTLEMENT AND WILL NOT SURVIVE SETTLEMENT.**

G. DEFINITIONS:

- a. **PURCHASER'S CLOSING COSTS:** as used in this Agreement will be defined to include attorneys' fees, settlement agent fees, appraisal fees, Clerk's recording fees, recording taxes, title insurance premiums, survey costs, loan origination fees, credit reports fees, lender's document preparation and review fees, lender's tax service fees, lender's processing fees, amortization schedule fees, lender's overnight courier fees, lender's assumption fees and lender's inspection fees.
- b. **PURCHASER'S PREPAID COSTS:** will be defined to include HUD insurance premiums, VA funding fees, private mortgage insurance premiums, hazard insurance premiums, escrow contributions (for taxes, private mortgage insurance and hazard insurance), unit and homeowner's association dues, interest and tax proration charges.
- c. **DISCOUNT POINTS:** will be defined as those fees (excluding origination fee and any buydown points) charged by a first mortgage lender to make Purchaser a loan at the committed rate of interest.
- d. **BUYDOWN POINTS:** will be defined as those fees (excluding origination fee and any discount points) charged by a first mortgage lender to make Purchaser a loan at a rate of interest below the standard prevailing rate of interest quoted at the time of commitment.
- e. **BUSINESS DAYS:** will be defined as each Monday through Friday except holidays on which the majority of banks in the Roanoke Valley and New River Valley are closed. Each business day will be defined as 12:00 Midnight until 12:00 Midnight Eastern Time. For the purposes of calculating Business Days, the count of "Business Days" will begin on the Business Day following the day upon which any act or notice as provided in this Contract was required to be performed or made.

30. WIRE FRAUD ALERT: Criminals are hacking email accounts of real estate agents, title companies, settlement attorneys and others, resulting in fraudulent wire instructions being used to divert funds to the account of the criminal. All parties are advised not to wire any funds without personally speaking with the intended recipient of the wire to confirm the routing number and the account number. Parties should not send personal information such as Social Security numbers, bank account numbers and credit card numbers except through secure email or personal delivery to the intended recipient.

31. SELLER REPRESENTATION: Seller warrants that the person(s) signing this Agreement as “Seller” include(s) every person who possesses an ownership interest in the Property or who will be a necessary party to convey clear title to the Property.

WITNESS the following duly authorized signatures and seals:

_____ SELLER		(SEAL) DATE	_____ PURCHASER		(SEAL) DATE
_____ ADDRESS			_____ ADDRESS		
PHONE _____ (Office) (Home)			PHONE _____ (Office) (Home)		
_____ (FAX) (Cell)			_____ (FAX) (Cell)		
_____ (Email)			_____ (Email)		
_____ SELLER		(SEAL) DATE	_____ PURCHASER		(SEAL) DATE
_____ ADDRESS			_____ ADDRESS		
PHONE _____ (Office) (Home)			PHONE _____ (Office) (Home)		
_____ (FAX) (Cell)			_____ (FAX) (Cell)		
_____ (Email)			_____ (Email)		

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