

**THIS IS A LEGALLY BINDING CONTRACT IF TERMS NOT UNDERSTOOD,
LEGAL ADVICE SHOULD BE OBTAINED BEFORE CONTRACT IS SIGNED.**

RESIDENTIAL CONTRACT OF PURCHASE

THIS CONTRACT OF PURCHASE (hereinafter "Contract") is made as of _____, 20____, between TRIANGLE BUILDING, LLC. A Virginia limited liability company, whose address is 201 Hull Street, Suite C, Richmond, VA 23224, owner of record of the Property sold herein (the "Seller", whether one or more), and _____

whose address is _____, (the "Purchaser"), whether one or more) and Coleman Jarvis Realty, Inc. ("Listing Broker") and _____ ("Selling Broker").

Unless otherwise specified herein, the acceptance date of this Contract shall be the date upon which it is executed by Seller and shall be the date of acceptance as inserted in the blank above the signature of the Seller on page ____ of ____ below.

1. **Real Property.** Purchaser agrees to buy and Seller agrees to sell the land and all improvements thereon and appurtenances thereto which fronts upon a public street or has a recorded access easement to a public street (the "Property"), located in the City of Richmond, Virginia, and described as:

Street Address: 101 West Marshall Street, Richmond, Virginia

Legal Description: EMRICK FLATS CONDOMINIUM UNIT NO. _____

2. **Personal Property:** The following personal property, which is free of all liens and encumbrances, is included in this sale:

3. **Purchase Price:** The purchase price (the "Purchase Price") of the Property is _____ Dollars (\$_____), which shall be paid to the Settlement Agent (designated in paragraph 7 below) at settlement ("Settlement") by certified or cashier's check, or wired funds, subject to the prorations described herein and/or from the following sources.

\$_____ (a) **Third Party First Trust:** This sale is contingent upon Purchaser obtaining a _____ Conventional _____ FHA _____ VA loan secured by a first deed of trust lien on the Property in the principal amount of Dollars (\$ _____), bearing interest at a fixed rate not exceeding ____% per year, or 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, or at the prevailing rate of interest at the

time of Settlement, amortized over a term of not less than _____ years, and requiring not more than a total of _____ loan discount points, and/or loan origination fees of _____, to be paid by Purchaser. Seller agrees to pay lender up to _____ points. (See Paragraph 6)

\$_____ (b) **Third Party Second Trust:** This sale is also contingent upon Purchaser obtaining a loan secured by a second deed of trust lien on the Property in the principal amount of _____ Dollars (\$_____), bearing interest at a rate not exceeding _____% per year, amortized over a term not less than _____ years, and requiring not more than a total of _____ loan discount points, and/or loan origination fees of _____, to be paid by Purchaser.

Other Second Trust Terms: _____

\$_____ (c) **Seller Financing:** Seller agrees that _____ Dollars (\$_____) of the Purchase Price shall be evidenced by a non-negotiable note made by Purchaser bearing interest at the rate of _____% per year, amortized over _____ years, payable in monthly installments of _____ Dollars (\$_____) with a final payment _____ years after Settlement. The note shall be secured by a deferred purchase money first, second deed of trust on the Property. The note and deed of trust shall provide, among other things; (i) that the note shall be due and payable in full if the Property or any interest therein is transferred, sold or conveyed; (ii) Purchaser shall have the right to prepay the note in whole or part without penalty at any time; (iii) that a late payment charge of _____ will be charged for any payment more than _____ calendar days late; (iv) that the note and deed of trust shall otherwise _____(a) be in a form satisfactory to Purchaser and Seller; or _____ (b) be on standard Federal National Mortgage Association ("FNMA")/Federal Home Loan Mortgage Corporation ("FHLMC") forms as applicable. (check choice). Unless otherwise agreed to by the parties, the standard FNMA/FHLMC forms for the Note and Deed of Trust are deemed to be satisfactory and will be used; and (v) other terms: _____

\$_____ (d) **Other Financing Terms:** (including loan assumption, if applicable)

\$_____ **Deposit:** See Paragraph 4.

\$_____ **Balance of the Purchase Price:** To be paid by Purchaser with cash, certified or cashier's check, or wired funds to the Settlement Agent, at Settlement.

\$_____ **Total Purchase Price**

4. **Deposit:**

- (a) Purchaser has made a deposit with _____, the agreed upon escrow agent (the "Escrow Agent"), of _____ Dollars (\$_____) (the "Deposit") in cash, by check, or by a note due and payable on _____, 20__ receipt of which is hereby acknowledged. The Deposit shall be held in escrow by the Escrow Agent, pursuant to the terms of this Contract, until Settlement and then applied to the Purchase Price.
- (b) If the Escrow Agent is a licensed real estate broker, the Deposit shall be held and applied in conformity to the Regulations of the Virginia Real Estate Board (the "Regulations"). If VA loan financing applies, then, as required by Section 1806, Title 38 of the U.S. Code, the Deposit shall be placed in a special escrow account as described therein. Pursuant to the Regulations, the Deposit will be placed in an escrow account of the Escrow Agent until this transaction has been consummated or terminated. The Regulations provide that if this Transaction is not consummated, the Escrow Agent shall hold the Deposit in Escrow until (i) all parties to the transaction have agreed in writing to the disposition thereof, or (ii) a court of competent jurisdiction orders disbursement, or (iii) the Escrow Agent can pay the funds to the party who is entitled to receive them in accordance with the explicit terms of this Contract. In the latter event, prior to disbursement, the Escrow Agent shall give written notice to each party to this Contract, by either (i) hand delivery, receipted for by the addressee, or (ii) regular and certified mail to the address provided herein, that this payment will be made unless a written protest from either party is received by the Escrow Agent within 30 days of the delivery or mailing,

as appropriate, of the notice, in which event the Deposit will be held in accordance with Paragraph A, Standard Provisions attached hereto.

5. **Financing.**

- (a) If this Contract is contingent upon Purchaser obtaining a written commitment or commitments, as the case may be, for the third party financing required in Paragraph 3, Purchaser agrees to make written application for such financing within _____ business days of the date of acceptance of this Contract by the Seller and to diligently pursue obtaining a commitment therefor. Purchaser may obtain alternative financing for which Purchaser is qualified provided there is no additional expense to Seller and the Settlement Date is not delayed. Seller may elect, in the exercise of Seller's sole discretion, to provide the specified financing to Purchaser.
- (b) If Purchaser does not obtain such a written commitment and so notifies Seller or the Listing Broker or Selling Broker in writing before 5:00 P.M. local time on _____, 20__, then this Contract shall terminate upon the giving of such notice and the Deposit shall be refunded to Purchaser. If Purchaser does not obtain a written commitment and if such a notice is not received by the deadline, or such later deadline as the parties may agree upon in writing, then Seller shall have the right to (i) deem the financing contingency provided herein satisfied, or (ii) terminate this Contract by giving Purchaser written notice of such termination within 5 days after the deadline. Failure of Purchaser to make such application or to diligently pursue obtaining such financing shall be a default hereunder, and this Contract shall be null and void and the Deposit shall be forfeited to Seller.

6. **Loan Fees.** If a lender making a loan described in Paragraph 3 requires that a loan discount fee be paid by Seller, commonly known as "points" (a "point" being 1% of the principal amount of the loan), as a condition of making the loan, Seller agrees to pay the first trust lender up to _____ points and to pay the second trust lender up to _____ points. Except as otherwise agreed, Purchaser shall pay all other points, loan origination fees, charges and all other costs imposed by a lender or otherwise incurred in connection with obtaining and closing the loan or loans.

7. **Settlement Agent and Possession.** Settlement shall be made at the offices of _____ ("Settlement Agent") located at _____ on _____, 20__ ("Settlement Date"). The Settlement Date may only be changed with the written consent of the Purchaser and the Seller. Possession shall be given at Settlement, unless otherwise agreed in writing by the parties.

8. **Brokerage Fee.** Seller and other parties hereto authorize and direct the Settlement Agent to disburse to Listing Broker and/or Selling Broker from the settlement proceeds their respective portions of the brokerage fee payable as a result of this sale and closing under the Contract. Listing Broker and/or Selling Broker shall deliver to the Settlement Agent, prior to settlement, a written statement signed by each broker entitled to all or a portion of the brokerage fee stating how such fee and any additional sales incentives are to be disbursed.

9. **Required Disclosures.**

(a) **Property Owners' Association Disclosure.** Seller represents that the Property (check as applicable) ___ is ___ is not located within a development that is subject to the Virginia Property Owners' Association Act ("Act") (Virginia Code § 55-508 through § 55-516). If the Property is within such a development, the Act requires Seller to obtain an association disclosure packet from the property owners' association and provide it to Purchaser.

The information contained in the association disclosure packet shall be current as of a specified date which shall be within 30 days of the date of acceptance of the Contract by the Seller. Purchaser may cancel this Contract: (i) within 3 days after the date of the Contract, if on or before the date that Purchaser signs the Contract, Purchaser receives the association disclosure packet or is notified that the association disclosure packet will not be available; (ii) within 3 days after hand-delivered receipt of the association disclosure packet or notice that the association disclosure packet will not be available; or (iii) within 6 days after the post-marked date, if the association disclosure packet or notice that the association disclosure packet will not be available is sent to Purchaser via the United States mail. Purchaser may also cancel the Contract, without penalty, at any time prior to Settlement if Purchaser has not been notified that the association disclosure packet will not be available and the association disclosure packet is not delivered to Purchaser. Purchaser's notice of cancellation shall be either hand-delivered or sent via United States mail, return receipt requested, to Seller. Purchaser's cancellation pursuant to this subsection shall be without penalty. This Contract shall become void upon cancellation and the Deposit shall be refunded in full to Purchaser upon Purchaser's notice of cancellation.

If more than 6 months have elapsed between the date of ratification of this Contract and the Settlement Date, Purchaser may submit a copy of the Contract to the property owners' association along with a request for assurance that the information required by Virginia Code § 55-512 previously furnished to Purchaser in the association disclosure packet remains materially unchanged; or, if there have been material changes, a statement specifying such changes. Purchaser shall be provided with such assurances or such statement within 10 days of the receipt of such request by the property owner's association. Purchaser may be required to pay a fee for the preparation and issuance of the requested assurances. Said fee shall reflect the actual costs incurred by the property owners' association in providing such assurances but

shall not exceed \$100.00 or such higher amount as may now or hereafter be permitted pursuant to applicable statutes.

Any rights of Purchaser to cancel the Contract provided by the Act are waived conclusively if not exercised prior to Settlement.

(b) **Residential Property Disclosure/Disclaimer.** The Virginia Residential Property Disclosure Act (Virginia Code § 55-517 through § 55-525) requires Seller of certain residential property to provide Purchaser in a form provided by the Real Estate Board with either (i) a property disclaimer statement that states Seller makes no representations or warranties as to the condition of the Property or any improvements thereon, and that Purchaser will be receiving the Property "as is," that is, with all defects that may exist (if any) except as otherwise provided in this Contract, or (ii) a property disclosure statement disclosing defects and the condition of the Property based on Seller's actual knowledge. If Seller furnishes a disclosure statement, then Seller is required at Settlement to disclose any material change in the physical condition of the Property, or to certify to Purchaser that the condition of the Property is substantially the same. If the disclaimer or disclosure statement required by the Virginia Residential Property Disclosure Act is delivered to Purchaser after Contract ratification, Purchaser may terminate this Contract by giving written notice to Seller either by hand-delivery or by United States mail, postage prepaid, at or prior to the earliest of (i) 3 days after delivery of the disclosure or disclaimer in person, or (ii) 5 days after the post-mark if the disclosure or disclaimer is posted in the United States mail, postage prepaid, and properly addressed to Purchaser, or (iii) Settlement upon the purchase of the Property, or (iv) occupancy of the Property by Purchaser, or (v) execution by Purchaser of a written waiver of Purchaser's right of termination under this chapter contained in a writing separate from the Contract, or (vi) 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 the Contract pursuant to this subsection, Purchaser must, within the times required by this subsection, give written notice to Seller either by hand-delivery or by United States mail, postage prepaid, and properly addressed to Seller. If Purchaser terminates the Contract in compliance with this subsection, termination shall be without penalty to Purchaser, and Purchaser's Deposit shall be promptly returned. Any rights of Purchaser to terminate the Contract provided by this subsection shall end if not exercised prior to the earlier of either the making of a written application to a lender for a mortgage loan where the application contains a disclosure that the right of termination shall end on the application for the mortgage loan, or Settlement or occupancy by Purchaser, in the event of a sale, or occupancy, in the event of a lease with option to purchase.

Check A or B.

- A. ___ Seller has furnished Purchaser with a Residential Property **Disclaimer** Statement.
- B. ___ Seller has furnished Purchaser with a Residential Property **Disclosure** Statement.

(c) **Virginia Condominium Act.** As required by Section 55-79.88 (2) the Declarant's Purchase Agreement for Residential Units provides that having received a copy of this Public Offering Statement, each prospective Purchaser will be given ten (10) days from the contract date to make final determination that he will consummate the purchase of said Unit. If the Purchaser elects to cancel the contract, he may do so by written notice sent by first class mail, return receipt requested, or by hand delivery of said notice to the Declarant. In the event the Purchaser elects to cancel the Purchase Agreement within the ten (10) day rescission period, the Purchaser shall be entitled to a full return of any deposit paid thereunder.

Purchaser will be required to make a working capital contribution to the Unit Owner's Association for the Emrick Flats Condominium equal to two (2) times the monthly dues for the unit being purchased which for unit _____ equals \$_____.

- (d) **Mechanics' and Materialmen's Liens.**

NOTICE

Virginia law (Virginia Code § 43-1 *et seq.*) permits persons who have performed labor or furnished materials for the construction, removal, repair or improvement of any building or structure to file a lien against the Property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 days from the last day of the month in which the lienor last performed work or furnished materials or (ii) 90 days from the time the construction, removal, repair or improvement is terminated. (See Standard Provision J on Exhibit A.)

AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE SETTLEMENT DATE MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.

- (e) **Adjoining Property.** Seller makes no representations as to matters affecting adjacent parcels, and Purchaser should exercise whatever due diligence that Purchaser deems necessary with respect to adjacent parcels.

(f) **Title Insurance Notification.** Purchaser may wish at Purchaser's expense to purchase owner's title insurance. Depending on the particular circumstances of the transaction, such insurance could include affirmative coverage against possible mechanics' and materialmen's liens for labor and materials performed prior to Settlement and which, though not recorded at the time of recordation of Purchaser's deed, could be subsequently recorded and would adversely affect Purchaser's title to the Property. The coverage afforded by such title insurance would be governed by the terms and conditions thereof, and the premium for obtaining such title insurance coverage will be determined by its coverage.

(g) **Lead-Based Paint Disclosure.** The certification, required pursuant to the Lead-Based Paint Hazard Reduction Act of 1992, signed by Seller, Purchaser and applicable agents is ____ is not ____ attached hereto. All improvements on the Property were ____ were not ____ constructed after January 1, 1978.

(h) **Seller's and Purchaser's Options.** In the event that the total cost of fulfilling Seller's obligations set forth in Paragraphs C, F, G, H and I in Standard Provisions exceeds \$_____, Seller shall have the option to (i) pay the total cost, or (ii) pay \$_____ to Purchaser and to refuse to pay any excess over that amount. If Seller elects (ii), Purchaser shall have the option to (_____) accept the Property in its present condition, in which case Seller shall pay \$_____ to Purchaser at Settlement or (_____) terminate this Contract and recover the Deposit. If no amounts are entered in the above space in this paragraph, the parties agree that the amount of each shall be One Thousand and 00/100 Dollars (\$1,000.00).

(i) **Notice of Principal Residence.** Purchaser does ____ does not ____ intend to occupy the Property as Purchaser's principal residence.

(j) **Choice of Settlement Agent: You have the right to select a settlement agent to handle the closing of this transaction. The settlement agent's role in closing your 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, your lender 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.**

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, you are entitled to receive a copy of these guidelines from your settlement agent, upon request, in accordance with the provisions of the Consumer Real Estate Settlement Protection Act.

(k) **Notice to Purchaser:** Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on any sexual offenders registered under Section 19.2-387, et seq., of the Code of Virginia, as amended. Such information may be obtained by contacting your local police department or the Department of State Police, Central Records Exchange at (804) 674-2000 or online at www.state.va.us/vsp/vsp.html.

10. **Agency Disclosure.** Seller and Purchaser each confirm that disclosure of the agency relationship described below has been made in writing.

Seller and Purchaser confirm and agree that in connection with the transaction described by this Contract: (Check A, B, or C.)

- A. The Listing Broker and the Selling Broker, and their salespersons, are acting on behalf of Seller as the Seller's agents.
- B. The Listing Broker and its salespersons are acting on behalf of Seller as Seller's agents and the Selling Broker and its salespersons are acting on behalf of Purchaser as Purchaser's agents.
- C. The Listing Broker and the Selling Broker and their salespersons are acting on behalf of both Seller and Purchaser as disclosed dual agents.

11. **Standard Provisions on the Reverse Side or Attached Pages.** All of the Standard Provisions in Exhibit A are incorporated herein by reference, and shall apply to this Contract, except the following lettered Standard Provisions are hereby deleted: (If none are deleted, state "None" in this blank.) _____

12. **Owner/Agent Acknowledgment.** Purchaser acknowledges that Charles S. MacFarlane, a principal of seller, Triangle Building LLC, is a licensed real estate broker in the state of Virginia and C. Sam McDonald, a principal of the seller, has an inactive real estate sales persons license.

13. **Acceptance.** This Contract when signed by Purchaser shall be deemed an offer and shall remain in effect, unless withdrawn, until _____ (time), _____, 20____. If not accepted within that time by Seller by delivery of a signed copy of this Contract to Purchaser or Purchaser's designated representative, it shall become null and void.

Seller accepts this Contract at _____(time), _____, 20____.

PURCHASER:

SSN: _____ - _____ - _____

SSN: _____ - _____ - _____

SELLER:

SSN: _____ - _____ - _____

SSN: _____ - _____ - _____

I hereby acknowledge receipt of the Deposit herein. Check Cash Note.

Date: _____

Escrow Agent

By _____

Listing Broker

Selling Broker

EXHIBIT A STANDARD PROVISIONS

A. **Deposit.** In the event this Contract is terminated as provided herein, or in the event of a breach of this Contract by Seller, the Deposit shall be returned to Purchaser, but such return shall not affect any other remedies available to Purchaser for Seller's breach. In the event Purchaser breaches this Contract, the Deposit shall be paid to Seller, but such payment shall not preclude any other remedies available to Seller for such breach.

The Deposit, if held by a licensed broker or agent, shall be held in conformity with the regulations of the Virginia Real Estate Board and other applicable law. If this Contract is not consummated and a dispute exists between Seller and Purchaser, the Deposit will be held in escrow by the Escrow Agent until Seller and Purchaser have agreed to the disposition thereof, or a court of competent jurisdiction orders disbursement.

B. **Expenses and Prorations.** Seller agrees to pay the costs of preparing the deed, certificates for non-foreign status and state residency and the applicable IRS Form 1099, the recordation tax applicable to grantors, and the Seller's attorney fee or Settlement Agent's fee. Except as otherwise agreed herein, all other expenses incurred by Purchaser in connection with the Contract and the transaction set forth therein, including, without limitation, title examination costs, insurance premiums, survey costs, recording costs, loan document preparation costs and fees of Purchaser's attorney, shall be borne by Purchaser. All taxes, assessments, interest, rent and mortgage insurance, if any, shall be prorated as of Settlement. In addition to the Purchase Price, Purchaser shall pay Seller (i) for all fuel oil remaining on the Property (if any) at the prevailing market price as of Settlement and (ii) any escrow Deposits made by Seller which are credited to Purchaser by the holders thereof.

C. **Title.** At Settlement, Seller shall convey to Purchaser good and marketable fee simple title to the Property by deed of general warranty containing English covenants of title, free of all liens, tenancies, defects and encumbrances, except as otherwise indicated herein, and subject only to such restrictions and easements as shall then be of record which do not affect the use of the Property for residential purposes or render the title unmarketable. If a defect is found which can be remedied by legal action within a reasonable time, Seller shall, at Seller's expense, promptly take such action as is necessary to cure the defect. If Seller, acting in good faith, is unable to have such defect corrected within 60 days after notice of such defect is given to Seller, then this Contract may be terminated by either Seller or Purchaser. Purchaser may extend the date for Settlement to the extent necessary for Seller to comply with this Paragraph but not longer than 60 days.

D. **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, when assessed, whether at or after Settlement, 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.

E. **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 shall have the option of either (i) terminating this Contract, or (ii) affirming this Contract, with appropriate arrangements being made by Seller to repair the damage, in a manner acceptable to Purchaser, or Seller shall assign to Purchaser all of Seller's rights under any applicable policy or policies of insurance and any condemnation awards and shall pay over to Purchaser any sums received as a result of such loss or damage.

F. **Equipment Condition.** Purchaser agrees to accept the Property at Settlement in its present physical condition, except as otherwise provided herein. Seller warrants, even if a property Disclaimer Statement has been provided to Purchaser (see paragraph 9(b)), that the heating and cooling equipment, plumbing systems (including well and septic systems), and electric systems will be in working order, and the roof and basement will be free of leaks, at Settlement or at Purchaser's occupancy, whichever occurs first. Seller agrees to deliver the Property in broom-clean condition with all trash and debris removed and to exercise reasonable and ordinary care in the maintenance and upkeep of the Property between the date this Contract is accepted and the Settlement Date or upon Purchaser's occupancy, whichever occurs first. Purchaser and his representatives shall have the right to make an inspection immediately before Settlement or occupancy.

G. **Well and Septic.** If the Property is served by an on site well and/or septic system, Seller agrees to furnish Purchaser, unless the Purchaser has elected to do its own inspection of the septic and water system as provided below, at Seller's expense, with a certificate dated not more than 30 days prior to the Settlement Date from the appropriate governmental authority, or a mutually acceptable private company, indicating that (a) well water contains no more than the acceptable level of coliform bacteria and (b) the septic system is functioning satisfactorily. Purchaser, at its expense, shall have the right to make its own inspection of the water and septic system, within 10 business days from the date of acceptance of this Contract by Seller, provided Purchaser has advised Seller at the time of Seller's acceptance of this Contract that Seller is relieved of its obligation to provide the above certifications and the Purchaser will be doing its own inspections. Such inspections must be completed within 15 days of the acceptance of the Contract by Seller and results forwarded to the Seller

in writing within 5 days thereafter. If either system is found defective, Purchaser shall immediately notify the Seller. Seller shall have the right to agree to complete the repair by Closing at Seller's expense or to declare this Contract to be null and void. Purchaser shall have the right to waive the obligation of the Seller to repair the well and septic systems and accept them as is.

H. **Wood Infestation Inspection and Report.** Seller, at Seller's expense, shall deliver to Purchaser a report from a qualified licensed exterminator, dated not earlier than 30 days before Settlement, that the principal dwelling on the Property is free of infestation and structural damage from termites and other wood-destroying insects. If such insects are found, Seller shall, at Seller's expense, have the dwelling treated and damage repaired, unless Paragraph 9(h) of the Contract provides otherwise.

I. **Inspections.** Purchaser shall have ___ business days from the date of acceptance of this Contract to obtain, at Purchaser's expense, a satisfactory inspection by a licensed contractor of the structural and major mechanical systems and an inspection for radon, asbestos, and urea-formaldehyde in and about the Property. In the event an inspection report is not obtained within this time period, this contingency shall be deemed to be satisfied and the Contract shall be in full force and effect.

If the results of such an inspection of the systems and matters described above are unsatisfactory to Purchaser, Purchaser shall provide Seller, within 3 business days of receiving the results of the inspection, a copy of said report and a written statement stating why Purchaser is not satisfied with the report. In that event Seller shall have the option to correct said condition(s) at Seller's expense or to terminate this Contract. Seller must notify Purchaser in writing of his decision within 3 business days of receiving said report from Purchaser. Failure of Purchaser to comply by the date indicated shall be deemed a waiver of this contingency. If Seller fails to respond or states Seller's intent not to correct the condition(s), Purchaser may terminate this Contract, in which event the Deposit shall be returned to Purchaser. If Seller elects to terminate this Contract, Purchaser, within 3 business days after receiving notice of termination, shall have the right to reinstate the Contract by relieving Seller of any obligations to correct said condition(s).

J. **Affidavits and Certificates.** Seller shall deliver to Purchaser 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, or, if labor or materials have been furnished during the statutory period, that the costs thereof have been paid. Seller shall also deliver to Purchaser applicable non-foreign status and state residency certificates and applicable 1099 IRS certificates.

K. **VA/FHA Loan.** If VA or FHA financing is selected, it is expressly agreed that, notwithstanding any other provision of this Contract, Purchaser shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by

forfeiture of the Deposit or otherwise unless Purchaser has been given, in accordance with HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement lender setting forth the appraised value of the Property of not less than _____ Dollars (\$_____). Purchaser shall have the privilege and option of proceeding with consummation of the Contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the Property. Purchaser should satisfy himself/herself that the price and condition of the Property are acceptable. Seller will pay fees required by VA/FHA up to _____

L. **Assignability.** This Contract may not be assigned by either Seller or Purchaser without the written consent of the other.

M. WARRANTIES

(1) Structural and Certain Other Warranties: Pursuant to Section 55-79.79 of the Condominium Act, the Declarant will warrant to Unit Owners as follows:

- (a) The General Common Elements, Limited Common Elements and Units against structural defects for the statutorily required period of two (2) years as follows: (i) as to the General Common Elements and Limited Common Elements, for two (2) years from the conveyance to a bona fide purchaser of the first Residential Unit, or the date the General Common Element or Limited Common Element is completed, whichever is later; and (ii) as to each Unit, two (2) years from the date it is conveyed, as required by Section 55-79.79 (b) of the Virginia Condominium Act;
- (b) To the extent required by Section 55-79.79 (b) of the Virginia Condominium Act that the Units are fit and habitable and are constructed in a workmanlike manner;
- (c) In addition, the Declarant will transfer to Unit Owners any rights which it may have to any manufacturers' warranties on any new appliances or mechanical items.

For the purposes of warranty, structural defects shall be those defects in components constituting any Unit, Limited Common Element or General Common Element which reduce the stability or safety of the structure below accepted standards or restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration, or replacement.

Except for the warranty specifically referred to above, Units shall be conveyed in "As Is" condition and the Declarant makes no other undertakings or warranties, and none should be implied. The Declarant has no obligation to make any repairs to the Units, Limited Common Elements or General Common Elements except as set forth in this Section. Declarant has no obligation to make any repairs to any appliances or mechanical items installed in the Units. No bond or other security has been furnished to secure the performance of the Declarant's obligations. The ability of the Declarant to perform its obligations will depend upon its financial resources at the time it is called upon to perform.

An action for breach of the warranty required by Section 55-79.79 (b) of the Virginia Condominium Act must be commenced within five (5) years after the date the warranty period began.

(2) Additional Warranty: An additional warranty may be offered by the Declarant to Purchasers. If offered, any such warranty does not take the place of the statutory warranty described above.

(3) Specimen of Limited Warranty: The form of the Limited Warranty Certificate which will be executed and delivered at settlement for Units is attached as Appendix V. Nothing contained in the Limited Warranty Certificate shall limit the protection afforded by the warranty provided by Section 55-79.79 (b) of the Condominium Act. The text of all written warranties on appliances and other equipment sold by the Declarant with the Unit is available for inspection by prospective purchasers at the Declarant's sales office.

N. Miscellaneous.

(a) The parties to this Contract agree that it shall be binding upon them, and their respective personal representatives, successors and assigns, and that its provisions shall not survive Settlement and shall be merged into the deed delivered at Settlement except for the provisions relating to rollback taxes in Paragraph D. This Contract contains the final agreement between the parties hereto, and they shall not be bound by any terms, conditions, oral statements, warranties or representations not herein contained. This Contract shall be construed under the laws of the Commonwealth of Virginia.

END OF STANDARD PROVISIONS