

CITY OF CHARLOTTESVILLE, VIRGINIA

CITY COUNCIL AGENDA



Agenda Date:	October 3, 2011
Action Required:	Approval of Resolution
Presenter:	Kathy McHugh, Housing Development Specialist
Staff Contacts:	James E. Tolbert, AICP, Director of NDS Kathy McHugh, Housing Development Specialist
Title:	Allocation of Charlottesville Housing Funds Towards the Purchase of Properties on 8th Street and Page St. - \$140,000

Background: City staff has been looking at a block of properties located between Albemarle Street, Page Street, and 8th Street across from the Westhaven Community. The City owns two parcels in the block, the railroad owns one, and four are privately held. There is a 50' wide drainage easement that runs east to west through the site and crosses under the railroad.

The site is zoned R-3 (Multi-Family Residential) and has the potential for redevelopment into mixed-income housing with the affordable units targeted for Westhaven or other CRHA residents. There is also discussion about using one of the new units as the location for Promise Neighborhoods on a temporary basis, much as is being done with the Eco-Remod House on Ridge Street.

Discussion: Two of the units are currently for sale and the owners have agreed to sell them to the City for redevelopment.

The owner of 204 8th Street has agreed to sell for \$60,000. This property is assessed at \$123,800. The owner has moved out of state and is very interested in selling. We actually have a contract to purchase that was entered into pending Council approval. The other parcel is 210 8th Street. It is assessed at \$126,500 and the owner has agreed to sell for \$80,000. This couple also owns 708 Page Street and have recently rehabilitated it

City Council Agenda Memo

*RE: Purchase of Properties on 8th Street
and Page Street (\$140,000)*

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and are asking substantially more for it. They purchased 210 8th Street with the intention to rehab it and sell but now desire to recoup their investment and move on.

We have approached the other owner and are waiting to hear from him. We have also been in contact with the railroad about a possible donation.

Budgetary Impact: \$140,000. Funds available from the Charlottesville Housing Fund (P-00439).

Recommendation: Staff recommends that Council allocate funds for the purchase of these two lots. While the ultimate goal is to assemble all properties on the block for redevelopment, these properties are available now and they may not be when the others are. Even if we could not acquire the others, this purchase will enable us to purchase and remove these structurally deficient homes and replace them with new energy efficient ones.

Because the City cannot directly purchase the properties, the attached resolution is written to allocate the funds and allow staff to negotiate with one of our non-profit partners to make the purchase and hold the land until final decisions on the total scope of the project. This allows us to control the site pending the larger development.

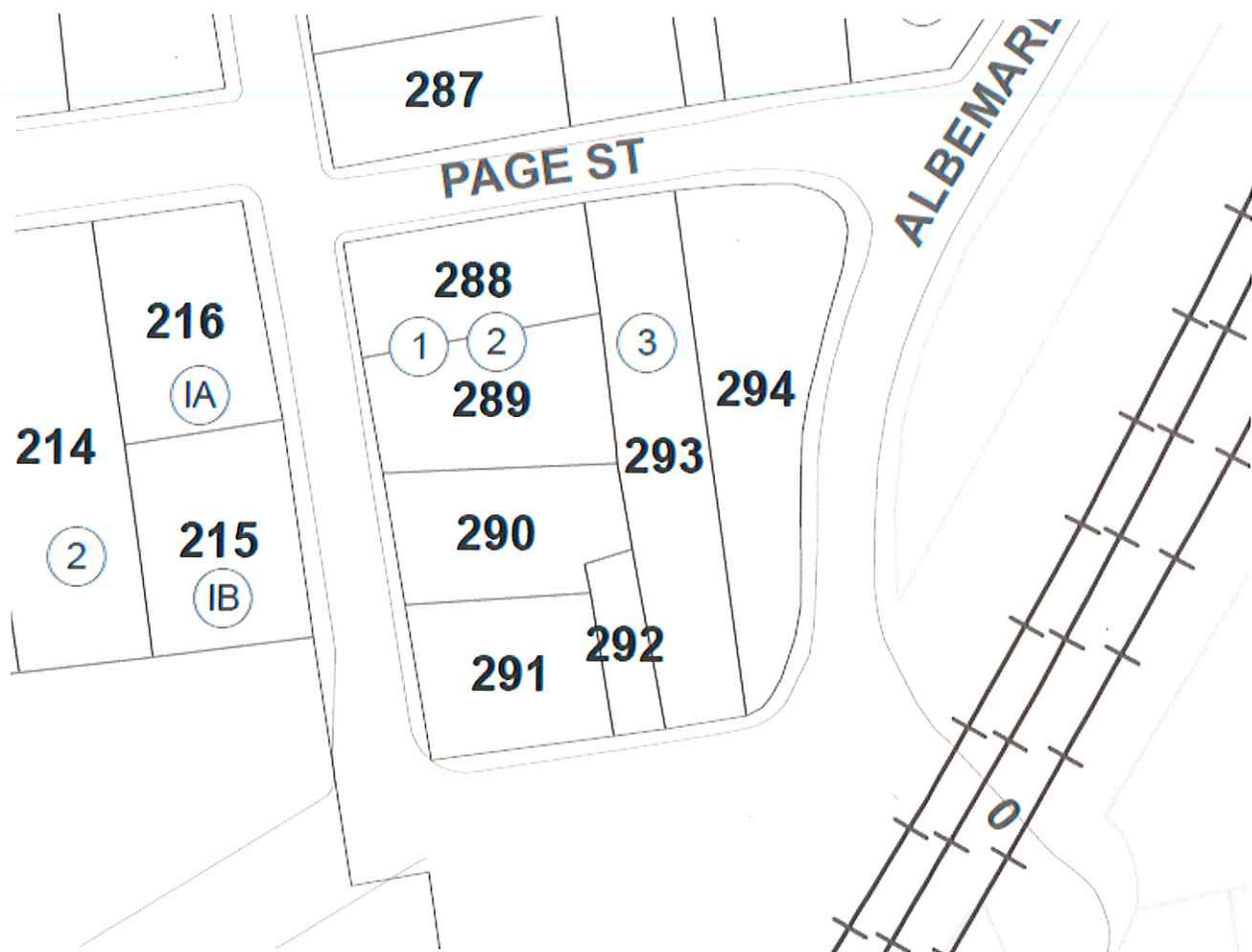
Alternatives: N/A

Attachments: Fact Sheet on Properties
Contract for 204 8th Street.

RESOLUTION
ALLOCATION OF CHARLOTTESVILLE HOUSING FUND DOLLARS
\$140,000

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlottesville, Virginia that the sum of \$140,000 is hereby allocated from currently appropriated funds in the Charlottesville Housing Fund (P-00439) account in the capital projects fund:

Purchase of Properties on 8 th St. and Page St.	\$140,000
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Address
Parcel #
Owner
Lot size

210 8th Street NW (Parcel ID 310288000)

- Owner: Madeline Horton and Fred Carey
- Lot Size: 3397 ft²
- Finished Living Area: 1560 ft²
- Status:
- Assessed Value: \$126,500 (08/17/2010)
 - Land: \$32,700
 - Improvements: 93,800
- Transfer History

Sale Price	Sale Date	Owner
\$70,000	12/22/2010	Horton, Madeline, TR & Fred Carey, III
\$125,900	7/29/2010	Equity Trust Company
\$92,000	4/25/2006	Smith, Doris A
\$92,000	4/18/2006	Equity Trust Co, Cust. FBO Baldwin Wood IRA
\$12,916	8/25/1978	Smith, Louise B

- Zoning: R-3
- Contact/Real Estate Agent:



204 8th Street NW (Parcel ID 310291000)

- Owner: John R. and Ruth J. Williams
- Lot Size: 2918 ft²
- Finished Living Area: 1,176 ft²
 - TPI: 750 ft²
- Status: Vacant; For Sale, \$80,000
- Assessed Value: 123,800
 - Land: \$30,600
 - Improvements: \$93,200
- Transfer History:

Sales Price	Sales Date	Owner
\$0	10/13/2003	Williams, John R & Ruth J
\$21,000	05/16/1988	Williams, John R & Ruth J
\$16,000	01/4/1988	Williams, John R & Ruth J

- Zoning: R-3
- Contact:
Robert Lewis
Better Homes and Garden Real Estate III
434.589.0777 (Office)
434.987.4647 (Cell)
roblewis@realestateiii.com



() (b) **THIRD PARTY SECOND TRUST:** This sale is also contingent on Purchaser's obtaining a loan secured by a second deed of trust lien on the Property in the principal amount of \$ _____, or _____ % of the Purchase Price bearing interest at a rate not exceeding _____ % per year, amortized as follows _____, and requiring not more than a total of _____ loan discount points, excluding the origination fee.

() (c) **SELLER FINANCING:** Seller agrees that \$ _____ or _____ % of the Purchase Price shall be evidenced by a note made by Purchaser payable to Seller bearing interest at a rate of _____ % per year amortized as follows _____

The note shall be secured by a deferred purchase money () first, () second or (specify priority) _____ deed of trust lien on the Property. The deed of trust and note shall provide, among other things, that: (i) 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 at any time in whole or in part () with a premium penalty of _____ % of the amount prepaid, or () without premium or penalty; (iii) a lot release schedule shall be provided, if applicable, (iv) a late payment charge not exceeding five percent of the payment may be assessed by Seller for any payment more than seven (7) calendar days late; (v) the note and deed of trust shall otherwise be in form satisfactory to Seller, (vi) other terms: _____

Such financing shall be contingent upon review and approval of Seller of a current credit report on each Purchaser and a current personal financial state of each Purchaser, which documents must be provided to Seller within _____ business days following execution of this Contract by both parties. The deed of trust shall be recorded at Purchaser's expense at settlement. Purchaser may not assign this Contract in whole or in part, without the prior written consent of Seller, which Seller shall be under no obligation whatsoever to give.

() (d) **BALANCE OF PURCHASE PRICE:** Purchaser will provide the balance of the purchase price from Purchaser's funds in cash or by cashier's or certified check or wired funds at settlement.

() (e) **OTHER FINANCING TERMS:** Cash sale no deposit

4. **DEPOSIT:** Purchaser has made a Deposit with _____ (the "Escrow Agent") of _____ Dollars (\$ _____) (the "Deposit") in cash () by check () bank letter of credit () or by a note () due and payable on _____, receipt of which is hereby acknowledged. Upon ratification of this Contract by all parties, the Deposit shall be held in escrow by the Escrow Agent. If the transaction does not settle, the Deposit shall be held or disbursed in accordance with the regulations of the Real Estate Board/Commission, or other governing law.

5. **FINANCING:**

(a) This Contract and Purchaser's obligation hereunder are contingent upon Purchaser obtaining and delivering to Seller a written commitment or commitments, as the case may be (the "Commitment") for the third-party financing or loan assumption required in paragraph 3. Purchaser agrees to make written application for such financing or assumption (including the payment of any required application, credit, or appraisal fees) within five (5) business days of the date of acceptance of this Contract and to diligently pursue obtaining the Commitment. Purchaser hereby grants permission for Purchaser's lender and Selling Company to furnish Seller and Listing Company information about the status of Purchaser's loan approval process, including specific items required by Purchaser's lender or actions Purchaser must perform to obtain loan approval. Purchaser agrees, upon written request by Seller, to provide written consent satisfactory to Purchaser's lender to permit Purchaser's lender to provide such information to Seller and Listing Company.

(b) If Purchaser does not obtain the Commitment and so notifies Seller or Listing Company in writing before 5:00 p.m. local time on _____, _____ (if no date is filled in, the date shall be the same date set forth in paragraph 8), then this Contract shall terminate upon giving such notice and the Deposit shall be refunded to Purchaser. If Purchaser does not obtain the Commitment and notice thereof is not received by the deadline, or such later deadline as the parties may agree upon in writing, then Purchaser's financing contingency set out in subparagraph 5(a) above shall nonetheless continue unless Seller gives Purchaser written notice of intent to terminate this Contract. If Seller gives Purchaser such notice,

this Contract shall terminate as of 5:00 p.m. local time on the third day following Seller's delivery of such notice to Purchaser unless before that time Purchaser has delivered to Seller a Commitment in compliance with the provisions of subparagraph 5(a) above, or a removal of Purchaser's financing contingency and evidence of the availability of funds necessary to settle without such financing. As used in this paragraph 5, the term Commitment shall mean a written acknowledgement from the Purchaser's lender or lenders that (i) selling, settling on or leasing another property is not required for underwriting approval, unless Purchaser's obligations under this Contract are contingent on such sale, settlement or lease, (ii) Purchaser has made application for the financing and paid all fees associated therewith, and (iii) as of the date of the Commitment, Purchaser's credit, income and assets, and debt have been verified by lender's underwriter as adequate or as meeting underwriting requirements without further action by Purchaser as of that date. If Purchaser provides Seller evidence that it has obtained the Commitment and the lender issuing such Commitment notifies Purchaser, after the date set forth in this paragraph 5(b), that it will not provide the financing, Purchaser shall notify Seller in writing of such fact within three (3) days of Purchaser's receipt of such notice from the lender.

(c) If the balance of the Purchase Price in excess of the Deposit is to be paid in cash without third party or Seller financing, Purchaser shall give the Seller written verification from Purchaser's bank or other sources within fifteen (15) days after the date this Contract is fully ratified that Purchaser has or can have the balance of the Purchase Price in cash not later than the settlement date. If Purchaser fails to give such verification within such time, Seller may terminate this Contract by giving Purchaser written notice thereof within ten (10) days after the date by which verification was to be given.

(d) Purchaser represents to Seller that neither Purchaser's obligations under this Contract nor Purchaser's financing is dependent or contingent on the sale or settlement or lease of other real property, unless specified in a written contingency. Purchaser acknowledges that Seller is relying on this representation.

(e) The occurrence of any of the following shall constitute a default by Purchaser under this Contract, which Purchaser may cure only by providing evidence reasonably satisfactory to Seller, within three (3) days of written notice by Seller of such default, of Purchaser's ability to settle timely:

- (i) Purchaser fails to make timely application for any financing provided for hereunder, or to diligently pursue obtaining such financing;
- (ii) Purchaser fails to lock in the interest rate(s) provided for hereunder and the rate(s) increase so that Purchaser no longer qualifies for the financing;
- (iii) Purchaser fails to comply with the lender's reasonable requirements in a timely manner;
- (iv) Purchaser fails to notify the lender, Seller or Listing Company promptly of any material adverse change in Purchaser's financial situation that affects Purchaser's ability to obtain the financing;
- (v) Purchaser does not have the down payment, closing costs or fees, or other funds required to settle as provided in this Contract;
- (vi) Purchaser does or fails to do any act following ratification of this Contract that prevents Purchaser from obtaining the financing; or
- (vii) Purchaser makes any deliberate misrepresentation, material omission, or other inaccurate submission or statement that results in Purchaser's inability to secure the financing.

(f) Purchaser does or does not X intend to occupy the Property as a primary residence;

(g) Nothing in this Contract shall prohibit Purchaser from pursuing alternative financing from the financing specified in paragraph 3. Purchaser's failure to obtain the alternative financing shall be at Purchaser's risk, and shall not relieve Purchaser of the consequences set forth in this paragraph 5 should Purchaser fail to pursue, as required in this paragraph 5, the financing set forth in paragraph 3.

6. **VA/FHA LOAN:** (a) It is expressly agreed that notwithstanding any other provision of this Contract, the Purchaser shall not be obligated to complete the purchase of the Property or to incur any penalty by forfeiture of earnest money Deposits or otherwise unless the Purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of the Property (excluding closing costs) as not less than the Purchase Price. The Purchaser shall have the privilege and option of proceeding with consummation of this Contract without regard to the amount of the appraised valuation by giving Seller written notice thereof within three (3) days after receipt of notification of the appraised value. THE APPRAISED VALUATION IS ARRIVED AT TO DETERMINE THE MAXIMUM MORTGAGE THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT/DEPARTMENT OF VETERANS AFFAIRS WILL INSURE. HUD/DEPARTMENT OF VETERAN AFFAIRS DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE PROPERTY. THE PURCHASER SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE PROPERTY ARE ACCEPTABLE.

(b) If Purchaser is obtaining VA financing and elects to complete the purchase at a purchase price in excess of the appraised value as established by the Department of Veterans Affairs (the "Department"), Purchaser will disclose the source of such funds

to the Department and pay the excess amount from such source. Such funds will not be borrowed funds unless approved by the Department.

(c) If Purchaser is obtaining FHA financing, the parties acknowledge that the loan amount may be approximate because financed acquisition costs cannot be determined until settlement.

7. **LOAN FEES:** Except as otherwise agreed upon in this Contract, Purchaser shall pay all points, loan origination fees, charges and other costs imposed by a lender or otherwise incurred in connection with obtaining the loan or loans. The amount of any contributions Seller agrees to make under this Contract toward Purchaser's loan fees shall include miscellaneous and tax service fees charged by a lender for financing described in this Contract and which by regulation or law Purchaser is not permitted to pay.
8. **SETTLEMENT; POSSESSION:** Settlement shall be made at Local attorney office on or about 20111115, 2011. Possession of the Property shall be given at settlement, unless otherwise agreed in writing by the parties. At settlement, Seller will deliver the deed described in paragraph 13, an affidavit acceptable to Purchaser and Purchaser's title insurance company as to parties in possession and mechanic's liens, applicable non-foreign status and state residency certificates and applicable IRS 1099 certificates.
9. **EXPENSES; PRORATIONS; ROLLBACK TAXES:** (a) Each party shall bear its own expenses in connection with this Contract, except as specifically provided otherwise herein. Seller agrees to pay the expense of preparing the deed and the recordation tax applicable to grantors; all expenses incurred by Purchaser in connection with the purchase, including without limitation title examination, insurance premiums, survey costs, recording costs and the fees of Purchaser's attorney, shall be borne by Purchaser. All taxes, assessments, 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 and/or propane remaining in the tank(s) (if applicable) at the prevailing market price as of the date of settlement.
(b) Rollback taxes shall be paid as follows: _____.
10. **BROKERAGE FEE; SETTLEMENT STATEMENTS:** Seller and Purchaser authorize and direct the settlement agent to disburse to Listing Company and/or Selling Company from the settlement proceeds their respective portions of the brokerage fee payable as a result of this sale and closing under the Contract. Each of Listing Company and/or Selling Company shall deliver to the settlement agent, prior to settlement, a signed written statement setting forth the fee to which such company is entitled and stating how such fee and any additional sales incentives are to be disbursed. Seller and Purchaser authorize and direct the settlement agent to provide to each of Seller, Purchaser, Listing Company and Selling Company a copy of the unified settlement statement for the transaction.
11. **RISK OF LOSS:** All risk of loss or damage to the Property by fire, windstorm, casualty, or other cause 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 and recovering the Deposit, or (ii) affirming this Contract, in which event Seller shall assign to Purchaser all of Seller's rights under any policy or policies of insurance applicable to the Property.
12. **WOOD INFESTATION INSPECTION AND REPORT:** Prior to settlement, Seller shall provide Purchaser a report, dated not more than 30 days prior to date of settlement, from a wood infestation control company certified and licensed by the Commonwealth of Virginia and properly insured, concerning the presence of or damage from termites or other wood-destroying insects or organisms in the primary dwelling, in any other dwelling(s) on the Property as to which a certificate of occupancy has been issued and is in effect, and in the following additional structures _____ (the "Applicable Structures"). If the inspection reveals active infestation in any of the Applicable Structures, Seller shall have such infestation treated by a company licensed by the Commonwealth of Virginia and properly insured. If the inspection reveals damage to any Applicable Structure, Seller shall have the damage repaired by a contractor licensed in the Commonwealth of Virginia; provided, however, that if the estimated aggregate cost of such treatment or repairs or both exceeds \$1,000, and Purchaser and Seller cannot agree on how the amount exceeding \$1,000 will be paid, Purchaser shall have the right either (i) to accept repairs or treatment not exceeding \$1,000, in which event Seller shall have such repairs or treatment performed at Seller's expense, (ii) to receive a credit at settlement in the amount of \$1,000, or (iii) to terminate this Contract and receive a refund of the Deposit. Although the report required in this paragraph 12 deals with wood-destroying organisms, nothing in this paragraph 12 shall be interpreted to require Seller to provide general testing for mold or other fungus beyond that routinely performed by companies licensed to perform control and protection of structures from wood infestation by termites or other wood-destroying insects.

13. **TITLE:** At settlement Seller shall convey the Property to Purchaser by general warranty deed containing English covenants of title (except that conveyance from a personal representative of an estate or from a trustee or institutional lender shall be by special warranty deed), free of all encumbrances, tenancies, and liens (for taxes and otherwise), but subject to such restrictive covenants and utility easements of record which do not materially and adversely affect the use of the Property for residential purposes 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 3(a) or 3(b), the access to a public road must be acceptable to each lender. If the examination reveals a title defect of a character that can be remedied by legal action or otherwise within a reasonable time, then Seller, at Seller's expense and subject to the Remediation Limit set forth in paragraph 16, shall promptly take such action as is necessary to cure such defect. If the defect is not cured within 60 days after Seller receives notice of the defect, then Purchaser shall have the right to (i) terminate this Contract, in which event the Deposit shall be returned to Purchaser, and Purchaser and Seller shall have no further obligations hereunder, or (ii) waive the defect and proceed to settlement with no adjustment to the Purchase Price. If Seller has agreed to cure such defect, the parties agree that the settlement date prescribed in paragraph 8 shall be extended as necessary to enable Seller to cure such title defect, but not for more than 60 days unless agreed by the parties.
14. **EQUIPMENT CONDITION AND INSPECTION:** (a) Purchaser agrees to accept the Property at settlement, and Seller agrees to deliver the Property to Purchaser at settlement, in its present physical condition, ordinary wear and tear excepted, but with such repairs and improvements as the parties otherwise agree.
- (b) If Purchaser's obligations under this Contract are contingent on a professional home inspection of the Property, then Purchaser shall be entitled to receive the Property at settlement in such condition as determined by such inspection and any negotiation and agreements relating to it. Purchaser and Purchaser's agents, inspectors, and engineers shall have the right to conduct a preoccupancy or presettlement inspection to verify that the condition of the Property conforms to this Contract and that no material damage or changes necessitating repairs have occurred to the Property after the date of this Contract or after any prior inspection of the Property provided for herein. Purchaser shall not be entitled to require Seller to correct defects discovered at a preoccupancy or presettlement inspection 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 and Seller has not agreed to remedy such defects.
- (c) If Purchaser's obligations under this Contract are not contingent on a professional home inspection of the Property, then Seller warrants that all appliances, heating and cooling equipment, plumbing and electric systems will be in working condition at the time of settlement or of Purchaser's occupancy, which occurs first. Purchaser and Purchaser's agents, inspectors, and engineers shall have the right to conduct a preoccupancy or presettlement inspection to verify that the condition of the Property conforms to this Contract and that no material damage or changes necessitating repairs have occurred to the Property after the date of this Contract. Seller's obligations in this regard are limited by the Remediation Limit set forth in paragraph 16 of this Contract.
- (d) Seller will provide Purchaser, Purchaser's professional inspectors and engineers, Selling Company, 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 in service at the time of all inspections to be conducted pursuant to this Contract, including those provided for in any separate provision or addendum dealing with inspections of the Property.
- (e) 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 this Contract is executed by Seller and the time of settlement or Purchaser's occupancy, whichever occurs first. If Seller fails to deliver the Property in the condition required by this paragraph 14, or if the presettlement or preoccupancy inspection reveals material damage or changes necessitating repairs occurring after any prior inspection of the Property, and Seller refuses to make the appropriate repairs, Purchaser shall have the right to terminate this Contract and receive a refund of the Deposit, or to waive the defects and proceed to settlement with no adjustment to the Purchase Price.
15. **WELL AND SEPTIC:** (a) If the Property is served by an on-site well or other natural water source, Seller agrees to provide Purchaser with a certificate dated not more than 30 days prior to settlement from the appropriate governmental authority, or from an acceptable private company, indicating that the water is free from contamination by coliform bacteria. If this Contract is contingent on Purchaser's obtaining FHA or VA financing, the certificate shall also state that the water is free from levels of lead unacceptable to FHA or VA.
- (b) If the Property is served by a sewage disposal system, Seller agrees to provide Purchaser with a certificate dated not more than 30 days prior to settlement from the appropriate governmental authority, or from an acceptable private company, indicating that there is no evidence of malfunction of or needed maintenance to the sewage disposal system.
- (c) If contamination of the water or septic system malfunction or needed maintenance is found, then Seller, at Seller's expense and subject to the Remediation Limit set forth in paragraph 16, shall effect the appropriate remedies or repairs. If Seller fails to do so as soon as practicable, Purchaser shall have the right to (i) terminate this Contract, in which event the Deposit shall be returned to Purchaser, and Purchaser and Seller shall have no further obligations hereunder, or (ii) waive the defect and proceed to settlement with no adjustments to the Purchase Price.

16. **SELLER'S AND PURCHASER'S OPTION:** In the event that the total cost of fulfilling Seller's obligations set forth in paragraphs 13, 14(c), and 15 above exceed \$ _____ in the aggregate (the "Remediation Limit"), Seller shall have the option (i) to fulfill Seller's obligations fully at Seller's expense, or (ii) to pay or credit the Remediation Limit to Purchaser and refuse to pay any excess over that amount. If Seller elects option (ii), Purchaser shall have the right to either accept the Property in its present condition (in which case the Seller shall pay or credit the Remediation Limit to Purchaser at settlement), or to terminate this Contract and receive a refund of the Deposit. If no amount is entered in the space in this paragraph, the parties agree that the amount shall be \$1,000. The Remediation Limit is independent of any obligations agreed to by Seller in connection with an inspection of the Property pursuant to a separate addendum to this Contract, or provision other than contained in paragraphs 13, 14(c) and 15, dealing with the right of Purchaser to conduct an inspection of the Property.
17. **HOME PURCHASER'S INSPECTION:** Purchaser may have a professional home inspection performed at Purchaser's expense by one or more qualified inspectors. Purchaser WAIVES X OR DESIRES _____ a professional home inspection. If Purchaser desires an inspection contingency, see attached home inspection addendum or separate provision of this Contract.
18. **NOTICE TO PURCHASER REGARDING SETTLEMENT AGENT AND SETTLEMENT SERVICES:** Choice of Settlement Agent: Chapter 27.3 (§ 55-525.16 et seq.) of Title 55 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 27.3 (§ 55-525.16 et seq.) of Title 55 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 27.3 (§ 55-525.16 et seq.) of Title 55 of the Code of Virginia.
19. **MECHANICS LIEN NOTICE:** (a) Virginia law (Section 43-1 et seq.) permits persons who have performed labor or furnished material 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 or improvement is terminated. AN EFFECTIVE LIEN FOR WORK PERFORMED 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.
20. **VIRGINIA CONDOMINIUM ACT:** Seller represents that the Property is _____ or is not X a condominium unit subject to Virginia Condominium Act, Section 55-79.39 et seq. of the Code of Virginia (the "Condominium Act"). If the Property is subject to the Condominium Act, the Condominium Act requires Seller to obtain from the unit owner's association (the "Association") a resale certificate and provide it to Purchaser. The information contained in the resale certificate shall be current as of a date specified on the resale certificate. Purchaser may cancel this Contract (i) within three (3) days after the date of this Contract, if Purchaser received the resale certificate on or before the date Purchaser executed this Contract, (ii) within three (3) days after receiving the resale certificate if the resale certificate is hand delivered, or (iii) within six (6) days after the postmark date if the resale certificate is sent to Purchaser by United States mail. Written notice of cancellation shall be hand delivered or sent by United States mail, return receipt requested, to Seller. Purchaser's right to receive the resale certificate and to cancel this Contract are waived conclusively if not exercised before settlement. Purchaser shall have the right to request from the Association an update of the resale certificate specifying any material changes to the statements previously furnished. Purchaser may be required to pay a fee for such update.
21. **PROPERTY OWNERS' ASSOCIATION DISCLOSURE:** (a) Seller represents that the Property is _____ or is not X located within a development that is subject to the Virginia Property Owners' Association Act, Section 55-508 et seq. of the Code of Virginia (the "Act"). If the Property is within such a development, the Act requires Seller to obtain from the property owners' association (the "Association") an association disclosure packet and provide it to Purchaser. The information in the

disclosure packet shall be current as of a date specified on the disclosure packet. Purchaser may cancel this Contract (i) within three (3) days after the date of the Contract, if Purchaser received the disclosure packet (or notice that the packet will not be available) on or before the date Purchaser executed this Contract; (ii) three days after receiving the association disclosure packet or being notified that the association disclosure packet will not be available, if the packet or such notice is hand delivered; or (iii) within six (6) days after postmark date if the packet or notice that the packet will not be available is sent to Purchaser by United States mail. Purchaser may cancel this Contract at any time prior to settlement if Purchaser has not received the association disclosure packet or notice that the packet will not be available. Written notice of cancellation shall be hand delivered or sent by United States mail, return receipt requested, to Seller. Purchaser's right to receive the association disclosure packet and the right to cancel this Contract are waived conclusively if not exercised before settlement. Purchaser shall have the right to request from the Association an update of the disclosure packet specifying any material changes to the statements previously furnished. Purchaser may be required to pay a fee for such update.

(b) If the date of the disclosure packet delivered to Purchaser is earlier than the date this Contract is fully ratified by all parties, Seller represents and warrants to Purchaser that there have been no material changes to the information contained in the disclosure packet from and after the date on the disclosure packet.

22. **LEAD-BASED PAINT INSPECTION:** This paragraph applies only if the Property was built prior to 1978 and is not exempt from the provisions of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852d) and regulations promulgated pursuant thereto. (Check as applicable):

(a) Attached to this Contract is a fully executed "Disclosure of Information and Acknowledgement Lead-Based Paint and/or Lead-Based Paint Hazards," which is made a part of this Contract by the provisions of the Lead Paint Act.

(b) The Lead Paint Act grants Purchaser the right, for a period of ten (10) days after the date this Contract is fully ratified, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead based paint hazards. Unless Purchaser and Seller have otherwise agreed, Purchaser's obligations under this Contract are not contingent on the results of such assessment or inspection. (Check as applicable):

☐ (i) Purchaser reserves the right to conduct a risk assessment or inspection for lead-based paint and/or lead-based paint hazards; or

☒ (ii) Purchase waives the right to conduct a risk assessment or inspection for lead-based paint and/or lead-based paint hazards.

23. **NOTICE TO PURCHASER(S):** Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on sexual offenders registered under Chapter 23 (sec19.2-387 et seq.) of Title 19.2. Such information may be obtained by contacting your local police department or the Department of State Police, Central Records Exchange at (804) 674-2000 or www.vsp.state.va.us/.

24. **NOTICE OF DISCLOSURE PURSUANT TO VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT:** Disclosure is ☒ or is not ☐ attached. (Attachment does not become part of this Contract.)

25. **DEFAULT:** If Seller or Purchaser defaults under this Contract, the defaulting party, in addition to all other remedies available at law or in equity, shall be liable for the brokerage fee referenced in paragraph 10 hereof as if this Contract had been performed and for any damages and all expenses incurred by non-defaulting party, Listing Company and Selling Company in connection with this transaction and the enforcement of this Contract, including, without limitation attorneys' fees and costs, if any. Payment of a real estate broker's fee as the result of a transaction relating to the property which occurs subsequent to a default under this Contract shall not relieve the defaulting party of liability for the fee of Listing Company in this transaction and for any damages and expenses incurred by the non-defaulting party, Listing Company and Selling Company in connection with this transaction. In any action brought by Seller, Purchaser, Listing Company or Selling Company under this Contract or growing out of the transactions contemplated herein, including, without limitation, a suit to secure the release of any earnest money deposit that the other principal to the transaction has refused to authorize, the prevailing party in such action shall be entitled to receive from the non-prevailing party or parties, jointly and severally, in addition to any other damages or awards, reasonable attorneys' fees and costs expended or incurred in prosecuting or defending such action. Seller and Purchaser acknowledge and agree that Listing Company and Selling Company are intended third-party beneficiaries of this Contract as to any commissions due them as a result of the transactions contemplated by this Contract.

26. **MISCELLANEOUS:** This Contract may be signed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document. Documents delivered by facsimile machine shall be considered as originals. Unless otherwise specified herein, "days" mean calendar days. For the purpose of computing time periods, the first day shall be the day following the date this Contract is fully ratified. 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 shall be construed, interpreted and applied according to the laws of the state in which the Property is located and shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties. To the extent any handwritten or typewritten terms herein conflict with or are inconsistent with the printed term hereof, the handwritten and typewritten terms shall control. Whenever the context shall so require, the masculine shall include

the feminine and singular shall include the plural. Unless otherwise provided herein, the provisions of this Contract affecting title shall be deemed merged into the deed delivered at settlement and shall not survive settlement.

27. **NON-BINDING MEDIATION:** In an effort to avoid the expense and delay of litigation, the parties agree to submit any disputes or claims arising out of this Contract, including those involving the Listing Company or the Selling Company, to mediation prior to instituting litigation. Such mediation will be **non-binding**, that is, no party will be obligated to enter into any settlement arising out of mediation unless that settlement is satisfactory to that party. Any settlement the parties enter into will be binding, but if the parties are not able to reach agreement on a settlement, they may resort to arbitration or litigation as if the mediation had never taken place. The mediation will be performed by a mutually agreeable mediator or mediation service in the area. This agreement to mediate does not apply to foreclosure, unlawful detainer (eviction), mechanics lien, probate, or license law actions. Judicial actions to provide provisional remedies (such as injunctions and filings to enable public notice of pending disputes) are not violations of the obligation to mediate and do not waive the right to mediate.

28. **BROKERS: LICENSEE STATUS:** (a) Listing Company and Selling Company may from time to time engage in general insurance, title insurance, mortgage loan, real estate settlement, home warranty and other real estate-related businesses and services, from which they may receive compensation during the course of this transaction, in addition to real estate brokerage fees. The parties acknowledge that Listing Company and Selling Company are retained for their real estate brokerage expertise, and neither has been retained as an attorney, tax advisor, appraiser, title advisor, home inspector, engineer, surveyor or other professional service provider.

(b) Disclosure of Real Estate Board/Commission licensee status, if any is required in this transaction: _____

29. **OTHER TERMS:** (Use this space for additional terms not covered elsewhere in this Contract.) **This contract will need to be approved by City Counsel**

30. **ACCEPTANCE:** This Contract, when signed by Purchaser, shall constitute an offer to enter into a bilateral contract, and the offer shall remain in effect unless earlier withdrawn, until _____ (local time in Virginia), on _____, _____ (date). If not accepted by such time, this offer shall be null and void.

31. **ELECTRONIC SIGNATURES.** AKM If this paragraph is initialed by both parties, then in accordance with the Uniform Electronic Transactions Act (UETA) and the Electronic Signatures in Global and National Commerce Act, or E-Sign, regarding electronic signatures and transactions, the parties do hereby expressly authorize and agree to the use of electronic signatures as an additional method of signing and/or initialing this Agreement. The parties hereby agree that either party may sign electronically by utilizing an electronic signature service.

WITNESS the following duly authorized signatures and seals: (SEPARATE ALL COPIES BEFORE SIGNING BELOW)

DATE / _____ (SEAL) 9/1/11 / Janak K. McHy (SEAL)
SELLER John R Williams PURCHASER
City of Charlottesville

DATE / _____ (SEAL) DATE / _____ (SEAL)
SELLER PURCHASER

Receipt of deposit per paragraph 4 above is hereby acknowledged.

_____/_____
_____/_____

For information purposes only:

Listing Company's Name and Address:

BHG Real Estate III

Selling Company's Name and Address:

BHG Real Estate III

Office Phone: **(434) 589-0777** Fax: **(434) 589-0783**

MLS Broker Code: _____ Office ID No. _____

Agent Name: **Rob Lewis**

Agent ID No.: _____

Agent E-mail Address: **RobLewis@realestateiii.com**

Office Phone: _____ Fax: _____

MLS Broker Code: _____ Office ID No. _____

Agent Name: _____

Agent ID No.: _____

Agent E-mail Address: _____

This Contract has been executed by Purchaser and Seller as of _____, _____.

Listing Firm _____ ; Selling Firm _____

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VAR FORM 600 REV. 5/11

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VIRGINIA ASSOCIATION OF REALTORS®
REQUIRED DISCLOSURE OF BROKERAGE RELATIONSHIP
(THIS IS NOT A CONTRACT)



Real estate licensees in Virginia who have entered into brokerage relationships are required by law to make prompt written disclosure of those brokerage relationships to those they work with, but do not represent in the real estate transaction. Licensees must also make written disclosures and obtain timely written consents from their clients in order to enter into certain brokerage relationships. This disclosure form is provided to you to satisfy these requirements and to assure that you understand the nature of the brokerage relationships in which the licensee presenting this disclosure is involved. Regardless of whose interests a licensee represents, all licensees who are REALTORS® are required by the REALTORS® Code of Ethics to treat all parties with whom they deal honestly.

The duties of real estate licensees in Virginia are set forth in Section 54.1-2130 et seq. of the Code of Virginia and in the regulations of the Virginia Real Estate Board. You should be aware that in addition to the information contained in this disclosure pertaining to brokerage relationships, there may be other information relevant to the transaction which may be obtained from other sources.

On the back of this form is information about brokerage relationships and the responsibilities of both licensees and the parties they represent. If you have any questions about any of this information, please ask the licensee presenting this form for clarification.

DISCLOSURE OF BROKERAGE RELATIONSHIP TO NON-CLIENT

(This box is to be signed by any non-client with whom the Agent has had substantive discussion about a specific property.)

The undersigned do hereby acknowledge disclosure that:

BHG Real Estate III Rob Lewis (Name of Firm and Licensee)
represents the following party in a real estate transaction: ☒ Seller(s) or ☐ Buyer(s) ☐ Landlord(s) or ☐ Tenant(s)

9/1/11 / [Signature] /
Date Signature of Non-Client to whom disclosure is being made Date Signature of Non-Client to whom disclosure is being made

DISCLOSURE OF DUAL REPRESENTATION

The undersigned do hereby acknowledge disclosure that:

_____ (Name of Firm and Licensee)
represents more than one party in this real estate transaction as indicated:

☐ Seller(s) and Buyer(s) or ☐ Landlord(s) and Tenant(s)

The undersigned understands that the foregoing dual representative may not disclose to either client or such client's designated representative any information that has been given to the dual representative by the other client within confidence and trust of the brokerage relationship except for that information which is otherwise required or permitted by Article 3 (§54.1-2130 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia to be disclosed. The undersigned by signing this notice do hereby acknowledge their informed consent to the disclosed dual representation by the licensee named above.

_____/_____
Date Signature (Seller/Landlord) Date Signature (Buyer/Tenant)

_____/_____
Date Signature (Seller/Landlord) Date Signature (Buyer/Tenant)

DISCLOSURE OF THE USE OF DESIGNATED REPRESENTATIVES

The undersigned do hereby acknowledge disclosure that:

_____ (Name of Firm and Licensee)
represents more than one party in this real estate transaction as indicated:

☐ Seller(s) and Buyer(s) or ☐ Landlord(s) and Tenant(s)

The undersigned understands that the foregoing dual representative may not disclose to either client or such client's designated representative any information that has been given to the dual representative by the other client within confidence and trust of the brokerage relationship except for that information which is otherwise required or permitted by Article 3 (§54.1-2130 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia to be disclosed. The undersigned by signing this notice do hereby acknowledge their informed consent to the disclosed dual representation by the licensee named above.

The principal or supervising broker has assigned _____ to act as
Designated Representative for the one party as indicated:

☐ Seller(s) or ☐ Landlord(s)

and _____ to act as
Designated Representative for the other party as indicated:

☐ Buyer(s) or ☐ Tenant(s)

_____/_____
Date Signature (Seller/Landlord) Date Signature (Buyer/Tenant)

_____/_____
Date Signature (Seller/Landlord) Date Signature (Buyer/Tenant)

THE LICENSEE'S DUTIES

A licensee may have a contractual agreement to represent a client, who is commonly referred to as the "principal". A licensee owes certain duties to his principal, as defined in the duties of a standard agent as set out in Virginia law or as otherwise agreed to in writing by the parties. A licensee who is not representing you in a transaction can nonetheless provide you other valuable information and assistance. However, you should always keep in mind whom the licensee represents in your transaction, and thus to whom that licensee owes the duties described above.

WHOM DOES THE LICENSEE REPRESENT?

In any real estate transaction, a licensee may represent the seller, the buyer, or, under certain circumstances, both seller and buyer.

The Seller

A licensee may represent a seller under a listing agreement, in which case the licensee owes his primary responsibilities to the seller. The listing agreement may authorize the listing firm to list the property with a multiple listing service and to cooperate with other licensees. These cooperating licensees, who frequently work for other firms, may operate under an agreement of subagency with the listing firm, in which case they also owe their primary responsibilities to the seller. Buyers working with a licensee should be aware that the licensee may be a subagent of the listing firm and thus the representative of the seller.

The Buyer

A licensee and a buyer may enter into an agreement by which the licensee agrees to represent the interests of the buyer. A buyer's representative must repudiate any subagency offered by a listing firm and must disclose his relationship with the buyer whenever dealing with the seller or seller's representative.

The Buyer and The Seller

A licensee, either acting directly or through one or more of the real estate company's other licensees, may be the representative of both the buyer and the seller in a particular transaction, but only with the informed written consent of both the buyer and the seller. A licensee representing both the buyer and the seller will necessarily be limited in his ability to represent either buyer or seller fully and exclusively. The licensee must safeguard the confidentiality of any information obtained within the confidentiality and trust of the

brokerage relationship, unless disclosure of such information is required by law. Specifically, the licensee must not tell the buyer that the seller will accept a price lower than the listing price, nor tell the seller that the buyer will pay a price higher than the price offered.

Designated Representatives

Virginia law also permits a principal or supervising broker to assign different licensees affiliated with the broker as designated representatives to represent different clients in the same transaction. Unlike the dual representative discussed in the previous paragraph, these designated representatives represent only the interest of their respective clients, and may therefore represent those interests more fully. The principal or supervising broker who is supervising the transaction will be considered dual representative of both seller and buyer. Designated representatives may not disclose, except to their broker, personal or financial information received from the clients during the brokerage relationship and any other information a client requests to be kept confidential, unless required by law to be disclosed or the client consents to its disclosure in writing.

THE PRINCIPALS' RESPONSIBILITIES

Representation by a licensee in a real estate transaction does not relieve sellers and buyers from the fundamental responsibility to protect their own interest. A buyer should take all reasonable steps to determine the condition of the property the buyer is purchasing, and all parties should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate licensee is qualified to advise about real estate, but if you need legal or tax advice, you should consult a competent professional.

A principal should ensure that any existing brokerage relationship is disclosed to other principals and their representatives. A buyer should also consult the buyer's representative before visiting any resale or new homes or contacting any other licensees to avoid the possibility of confusion over brokerage relationships.

You might receive more than one disclosure form, depending upon the number of licensees assisting in the transaction. The law may require a licensee with whom you have substantive discussions about specific property, and with whom you do not have a brokerage relationship, to present you with a written disclosure. You should read its contents each time it is presented to you and you should consider the relationship between you and the licensee in your specific transaction.

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**VIRGINIA ASSOCIATION OF REALTORS®
DISCLOSURE OF INFORMATION AND ACKNOWLEDGMENT
LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS
(Purchase)**

This disclosure applies to the property(ies) in the City or County of CHARLOTTESVILLE and is described as follows:

204 BTH ST. N.W. CHARLOTTESVILLE, VA. 22903

Lead Warning Statement

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.

Seller's Disclosures (each Seller initial in each space and check the appropriate box after each space)

g r w Presence of lead-based paint hazards (check one below):

- ☒ Seller has no knowledge of lead-based paint and/or lead-based hazards in the housing.
☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):

g r w (b) Records and reports available to the Seller (check one below):

- ☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.
☐ Seller has provided the Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based hazards in the housing (list documents):

Purchasers' Acknowledgments (each Purchaser initial in each space)

_____ (c) Purchaser has received copies of all information listed above.

_____ (d) Purchaser has received the pamphlet "Protect Your Family From Lead in Your Home."

Jan (e) Purchaser has (check one below):

- ☐ Received a 10-day opportunity (or mutually agreed-upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
☒ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agents' Acknowledgments (each agent involved in this transaction initial in the appropriate space)

(R) (f) Seller's agent (listing agent) has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure seller's compliance therewith.

_____ (g) Seller's agent (subagent) has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure seller's compliance therewith.

REV. 3/95

Real Estate III Post Office 8186, Charlottesville VA 22906
 Phone: (434) 817-9700

Fax:

Barbara Picciorello

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(h) Purchaser's agent (if agent will receive any compensation from seller or seller's agent) has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure seller's compliance therewith.

Certification of Accuracy

The following parties have reviewed the information above and certify that, to the best of their knowledge, the information provided by the signatory is true and accurate.

Seller John R. Williams Date 2/24/10 Seller _____ Date _____
Purchaser Jack M. Hylton Date 9/1/11 Purchaser _____ Date _____
Listing Agent Rob Fawcett Date 2/28/10 Purchaser's Agent _____ Date _____
Subagent _____ Date _____

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

NOTICE TO SELLER AND PURCHASER

The Virginia Residential Property Disclosure Act (§ 55-517 et seq. of the Code of Virginia) requires the owner of certain residential real property, whenever the property is to be sold or leased with an option to buy, to furnish to the purchaser a RESIDENTIAL PROPERTY DISCLOSURE STATEMENT stating the owner makes the following representations as to the real property. Certain transfers of residential property are excluded from this requirement (see § 55-518).

Property Address/
Legal Description:

204 8TH ST NW CHARLESTON, VA 22903

The undersigned owner(s) of the real property described above makes no representations or warranties as to the condition of the real property or any improvements thereon, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary including obtaining a certified home inspection, as defined in § 54.1-500, in accordance with the terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations with respect to any matters that may pertain to parcels adjacent to the subject parcel, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary with respect to adjacent parcels in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations to any matters that pertain to whether the provisions of any historic district ordinance affect the property, and the purchaser(s) is advised to exercise whatever due diligence the purchaser deems necessary with respect to any historic district designated by the locality pursuant to § 15.2-2306, including review of any local ordinance creating such district or any official map adopted by the locality depicting historic districts, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations with respect to whether the property contains any resource protection areas established in an ordinance implementing the Chesapeake Bay Preservation Act (§ 10.1-2100 et seq.) adopted by the locality where the property is located pursuant to § 10.1-2109, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary to determine whether the provisions of any such ordinance affect the property, including review of any official map adopted by the locality depicting resource protection areas, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations with respect to information on any sexual offenders registered under Chapter 23 (§ 19.2-387 et seq.) of Title 19.2, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary with respect to such information, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to that contract.

The undersigned owner(s) makes no representations with respect to whether the property is within a dam break inundation zone and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary with respect to whether the property resides within a dam break inundation zone, including a review of any map adopted by the locality depicting dam break inundation zones.

The undersigned owner(s) makes no representations with respect to the presence of any stormwater detention facilities located on the property and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary to determine the presence of any stormwater detention facilities on the property, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to that contract.

The undersigned owner(s) represents that there are no pending enforcement actions pursuant to the Uniform Statewide Building Code (§ 36-97 et seq.) that affect the safe, decent, and sanitary living conditions of the real property described above of which the owner has been notified in writing by the locality, nor any pending violation of the local zoning ordinance which the violator has not abated or remedied under the zoning ordinance, within a time period set out in the written notice of violation from the locality or established by a court of competent jurisdiction, except as disclosed on this statement.

Additional Written Disclosure Requirements

Section 55-518.B. contains other disclosure requirements for transfers involving the first sale of a dwelling because the first sale of a dwelling is exempt from the disclosure requirements listed above. The builder of a new dwelling shall disclose in writing to the purchaser thereof all known material defects which would constitute a violation of any applicable building code.

In addition, for property that is located wholly or partially in any locality comprising Planning District 15, the builder or owner, if the builder is not the owner of the property, shall disclose in writing whether the builder or owner has any knowledge of (i) whether mining operations have previously been conducted on the property or (ii) the presence of abandoned mines, shafts, or pits, if any.

The disclosures required by this subsection shall be made by a builder or owner (i) when selling a completed dwelling, before acceptance of the purchase contract or (ii) when selling a dwelling before or during its construction, after issuance of a certificate of occupancy. Such disclosure shall not abrogate any warranty or any other contractual obligations the builder or owner may have to the purchaser. The disclosure required by this subsection may be made on this disclosure form. If no defects are known by the builder to exist, no written disclosure is required by this subsection.

Section 55-519.1 contains a disclosure requirement for properties located in any locality in which there is a military air installation.

Section 32.1-164.1:1 contains a disclosure requirement regarding the validity of septic system operating permits.

See also the Virginia Condominium Act (§ 55-79.39 et seq.), the Virginia Cooperative Act (§ 55-424 et seq.) and the Virginia Property Owners' Association Act (§ 55-508 et seq.).

The owner(s) acknowledge having carefully examined this statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

John R. Ellis 2/25/10
Owner Date

Owner Date

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

Sara K. McFy 9/1/11
Purchaser Date

Purchaser Date

DPOR 7/09