



ROANOKE VALLEY ASSOCIATION OF REALTORS®



Lot/Land Purchase Agreement

A Legal and Binding Agreement

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

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

*** 1. REAL PROPERTY:** Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon located in the () County or () City of _____, Virginia and described as (legal description): Lot _____, Block _____, Section _____, Phase _____, Map of _____, or other descriptions _____ containing _____ acres +/-, as represented by the Seller and more commonly known as: _____ together with the items of personal property described in paragraph 6 (the "Property").

AGENCY DISCLOSURE AND CONFIRMATION

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

Listing Agent: _____ is the agent of (check one)
_____ the Seller
_____ both the Purchaser and Seller
Selling Agent: _____ is the agent of (check one)
_____ the Purchaser
_____ the Seller
_____ both the Purchaser and Seller

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

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

SELLER _____ Date _____

PURCHASER _____ Date _____

SELLER _____ Date _____

PURCHASER _____ Date _____

2. ADDENDA/DISCLOSURES: The following addenda are made a part of this Contract:

- | | |
|--|----------------------|
| () Standard Clauses Addendum | () Lake Disclosure |
| () Lake Addendum | () RESPA Disclosure |
| () Dual Agency Consent and Confirmation | () _____ |
| () Designated Agency Consent and Confirmation | () _____ |

*** 3. PROPERTY OWNER'S ASSOCIATION DISCLOSURE:** Seller represents that the Property () is OR () is not located within a development which is subject to the Virginia Property Owners Association Act Section 55-508 et. seq. of the Code of Virginia (the "Act"). If the Property is within such a development, the Act requires the Seller to obtain from the property owners association an association disclosure packet and provide it to the Purchaser or to notify Purchaser that the packet is unavailable. The information contained in the association disclosure packet shall be current as of a date specified on the association disclosure packet. If the Purchaser has received the association disclosure packet, the Purchaser has the right to request an association disclosure packet update or financial update in accordance with Section 55.509.6 of the Act. The Purchaser may cancel this Contract (a) within three (3) days after the Date of the fully executed Contract, if on or before the Date of the fully executed Contract, the Purchaser receives the association disclosure packet or is notified that the association disclosure packet is not available; (b) within three (3) days after receiving the association disclosure packet if the association disclosure packet or notice that the association disclosure packet will not be available is hand-delivered or, delivered by electronic means, or delivered by a commercial overnight delivery service or the United States Postal Service, and a receipt obtained; or (c) within six (6) days after the post mark date if the association disclosure packet or notice that the association disclosure packet will not be available is sent to the Purchaser by United States mail. The Purchaser may also cancel this Contract at any time prior to settlement if the Purchaser has not been notified that the association disclosure packet will not be available from the association or the association disclosure packet is not delivered to the Purchaser. Written notice of cancellation shall be made to the Seller within the cancellation period by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid provided the sender retains sufficient proof of mailing; (iii) electronic means provided the sender retains sufficient proof of the electronic delivery; or (iv) overnight delivery using a commercial service or the United States Postal Service. The sender shall have the burden to demonstrate delivery of the cancellation notice. If this Contract is cancelled pursuant to this paragraph, such cancellation shall be without penalty, this Contract shall terminate and the Deposit shall be refunded in full to the Purchaser in accordance with the procedure defined in paragraph 7(a). The right to receive the association disclosure packet and to cancel this Contract are waived conclusively if not exercised before settlement.

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

5. FAIR HOUSING DISCLOSURE: All offers shall be presented and considered without regard to race, color, religion, sex, handicap, familial status, elderliness, or national origin as well as all classes protected by the laws of the United States, the Commonwealth of Virginia and applicable local jurisdiction.

6. PERSONAL PROPERTY INCLUDED: The following items of personal property are included in the sale of the land, to be conveyed as a convenience to both parties and adds no additional value to the transaction, and are to pass with the Property at settlement:

*** 7. PURCHASE PRICE:** The Purchase Price (the "Purchase Price") of the Property is _____

(\$ _____).

() This price shall be the exact sales price.

() This price shall be adjusted at settlement to an exact Purchase Price of \$ _____ per () sq. ft. () acre. A survey by a licensed surveyor shall be made to determine the exact area and shall be obtained and paid for by _____ and completed within _____ business days after the execution of this Contract. In the event the survey reveals a difference of _____% of the acreage stated in paragraph 1, either party may terminate the Contract upon written notice within _____ business days of receipt of survey. In this event, Purchaser will be entitled to refund of the Deposit, in accordance with procedures defined in Paragraph 7(a).

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

to be held by _____ (the "Escrow Agent")

in the form of: () check; OR () other _____ (the "Deposit").

Purchaser (select one) () has paid the Deposit to the Escrow Agent OR () will pay the Deposit to the Escrow Agent within five (5) days ("Extended Deposit Date") after the date this Contract is fully executed by the parties. If Purchaser fails to pay the Deposit as set forth herein, then Purchaser shall be in breach of this Contract. At Seller's option and in lieu of all other remedies set forth in this Contract, Seller may terminate the Contract by written notice to Purchaser and neither party shall have any further obligation hereunder. If the Escrow Agent is a Virginia Real Estate Board ("VREB") licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account by the end of the fifth business banking day following the latter of: (i) the date this Contract is fully executed by the parties, or (ii) the Extended Deposit Date. If the Escrow Agent is not a VREB licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account in conformance with applicable Federal or Virginia law and regulations. The Deposit may be held in an interest bearing account and the parties waive any claim to interest resulting from such Deposit. The Deposit shall not be released by the Escrow Agent until one of the following occurs: (i) it is credited toward the Purchase Price at Settlement; (ii) Seller and Purchaser have agreed in writing as to its disposition; (iii) a court of competent jurisdiction orders a disbursement of the funds; or (iv) disbursed in such manner as authorized by the terms of this Contract or by Virginia law or regulations. If the Property is foreclosed upon while this Contract is pending, the terms of Section 54.1-2108.1 of the Code of Virginia shall apply to the disbursement of the Deposit. Foreclosure shall be considered a termination of this Contract by Seller and absent any default by Purchaser, the Deposit shall be disbursed to the Purchaser.

(B) LENDER'S FIRST TRUST: This sale is subject to Purchaser obtaining: () CONVENTIONAL, () FHA, () VA, () VHDA, or () other (describe)

_____ loan secured by a first deed of trust lien on the Property in the principal amount of \$ _____, amortized over a term of _____ years, bearing interest: () at a fixed rate not exceeding _____% per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee () at an adjustable rate with an initial rate not exceeding _____% per year and a maximum rate during the term of the loan not exceeding _____% per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee () at the prevailing rate of interest at the time of settlement.

(C) THIRD PARTY SECOND TRUST: This sale is subject to Purchaser obtaining a loan secured by a second deed of trust lien on the Property in the principal amount of \$_____, amortized over a term of _____ years, bearing interest: () at a fixed rate not exceeding _____% per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee () at an adjustable rate with an initial rate not exceeding _____% per year and a maximum rate during the term of the loan not exceeding _____% per year and requiring not more than a total of _____ loan discount points, excluding a loan origination fee.

(D) SELLER FINANCING: Purchaser, at settlement, shall give and Seller agrees to hold a Deferred Purchase Money _____ Deed of Trust and Note secured by this property in the amount of _____ (\$_____) at _____% fixed annual interest rate to be amortized over _____ years, payable in equal () monthly or () yearly installments, consisting of principal and interest, in the sum of \$_____ commencing () one (1) month or () one (1) year from the date of settlement and continuing on the same day of each following () month or () year, with the full unpaid balance due _____ years from date of settlement of this Contract. Purchaser agrees to pay for preparation of Deferred Purchase Money Note and Deed of Trust as well as recording cost of the Deed of Trust. Said Note and Deed of Trust shall be prepared by _____, Attorney at Law. The Deed of Trust and Note shall require the maker to provide the holder with written receipts or other acceptable evidence of payment of real estate taxes and casualty insurance premiums within ten (10) days of the due date thereof, and if the Property is improved, the maker will provide noteholder at all times a certificate of the insurer showing casualty insurance in force and showing the noteholder as a loss payee with provision for no cancellation without at least thirty (30) days' notice to noteholder; the amount of insurance required will be an amount equal to the principal sum secured by the Deed of Trust, plus the sum secured by all liens, if any, senior in priority to the Deed of Trust. Failure to comply with the above shall constitute default under said Deed of Trust. Unless the parties expressly agree otherwise, the provisions of the Seller-held promissory note shall include the following terms: A late charge of 5% of the monthly payments shall be due for any payment not received by the noteholder within fifteen (15) days of the due date. Should the property securing the note be sold, transferred, conveyed, placed in trust, or alienated in any way, the Deed of Trust shall provide that the entire balance shall be due and payable unless expressly approved in writing by the noteholder. The Deed of Trust shall contain a provision that provides that any default under the terms of another deed of trust which is also a lien against the Property shall constitute a default under the terms of this deed of trust. The note shall provide that the entire indebtedness may be called upon any default. Purchaser shall have, without penalty, the right of anticipation in part or in full. Purchaser, at their expense, will authorize agent to order a written credit report to be furnished to Seller, which said credit report shall be ordered within three (3) business days after final acceptance of this Contract. Seller reserves the right to approve Purchaser's existing credit rating, and if deemed unsatisfactory by Seller, Seller shall give notice to Purchaser within three (3) days after receiving the credit report that Seller is terminating this Contract. The Deposit shall be refunded in full to the Purchaser, in accordance with procedures defined in paragraph 7(a). All parties reserve the right to have their attorneys review the final documents prior to settlement to insure that the seller financing provisions are in place.

(E) OTHER DEPOSIT/FINANCING TERMS:

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

*** 8. CASH CONTRACT:** If this is a cash contract not subject to any financing, then Purchaser shall give Seller written verification from his bank or other sources within _____ business days from the date this Contract is executed by Purchaser and Seller that the Purchaser has the assets or ability to have the balance of the Purchase Price on or before the closing date of this Contract. Failure to have written verification from bank or other sources to Seller within the stated time period will give the Seller the right to terminate this Contract upon notice to Purchaser and thereupon Purchaser's Deposit shall be refunded in full, in accordance with procedures defined in paragraph 7(a). After the bank or other sources provide written verification, if the Purchaser fails to close for any reason other than the Seller's default or a condition of this Contract, the Purchaser will be in default.

*** 9. LOAN APPLICATION:** Purchaser will make written application for any loan to which this Contract is subject within _____ business days as defined in Standard Provision A, after full execution of this Contract and will make every effort to secure the loan and will accept the loan once approved. Making written loan application is defined as completing the loan application and all applicants signing the application, paying for the appraisal and credit report(s). If Purchaser fails to make written application within the time specified, Seller at its option will have the right to terminate the Contract upon written notice to Purchaser. If Purchaser makes timely application and, having made every effort, fails to obtain approval on or before _____ (date), Purchaser will not be deemed in default, but Seller will nevertheless have the right to terminate the Contract upon written notice to Purchaser; in that event, Purchaser will be entitled to refund of the Deposit. Absent such notice from Seller, the time for loan approval will be automatically extended until Seller notifies Purchaser of termination. In this paragraph the word "approval" with respect to the loan means the written commitment of the lender to make the loan without the fulfillment of conditions dependent upon the actions of third parties, such as the sale or settlement or lease of other real estate or increase in salary, unless otherwise agreed to in writing by all parties. If Purchaser makes every effort to obtain the loan, but fails and this Contract is terminated, Purchaser will be entitled to return of the Deposit, in accordance with procedures defined in paragraph 7(a). The Purchaser grants permission for the Selling Agent and the lender to disclose to the Seller's Agent general information available about the progress of the loan application and loan approval process.

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

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

***10. ENGINEERING, ENVIRONMENTAL AND FEASIBILITY STUDIES:** This Contract () is OR () is not subject to the Purchaser's having engineering, environmental and/or feasibility studies, at his sole expense. Purchaser shall have _____ business days from the date of full execution of this Contract by all parties to determine, through these studies, whether Purchaser's plan of development of the Property is feasible. If Purchaser decides, based upon the above described studies, that this plan is not feasible, Purchaser may terminate this Contract by notifying either Seller or Seller's Agent in writing within the above described time period, and shall give the results of the study to all parties to this Contract, including the Listing and Selling Agents. In this event, Purchaser will be entitled to return of the Deposit, in accordance with procedures defined in paragraph 7(a).

***11. SOIL STUDY:** This Contract () is OR () is not subject to Purchaser's obtaining a soil study and/or percolation test, from the proper governmental agency or soil inspector for a conventional gravity fed septic system or other system acceptable to Purchaser. This study or test shall be at the Purchaser's sole expense. Purchaser shall apply for such study and/or test within _____ business days following full execution of Contract and further agrees to make every effort to secure approval. This Contract is further subject to the Purchaser obtaining such approval within _____ business days of the full execution of this Contract. If Purchaser does not apply for such study and/or test within the time period described above or obtain approval within the time period described above, Seller shall have the option, at any time, to terminate this Contract and thereupon Purchaser's Deposit shall be refunded in full. This study or test shall be completed within the time period described above and shall allow for the erection of a () 3 bedroom residence; () 4 bedroom residence;

() other _____. In the event the above studies do not allow for the erection of the above described building and/or system, Purchaser may terminate this Contract by notifying either Seller or Seller's Agent in writing within the above described time period, and shall give the results of the study and/or test to all parties to this Contract, including the Listing and Selling Agents. In this event, Purchaser will be entitled to return of the Deposit, in accordance with procedures defined in paragraph 7(a).

***12. ZONING:** Purchaser has _____ business days following full execution of this Contract by all parties to verify that the Property is zoned _____. If the zoning is not as indicated and the present zoning does not permit Purchaser's intended use of the Property, Purchaser may terminate this Contract by notifying either Seller or Seller's Agent in writing within the above described time period. In this event, Purchaser will be entitled to return of the Deposit, in accordance with procedures defined in Paragraph 7(a). If Purchaser does not terminate this Contract within _____ business days following full execution of this Contract by all parties, then this condition will be considered to be waived.

***13. LAND USE/ROLLBACK TAXES:** This property () is OR () is not currently placed under land use. In the event the Property is taxed under land use assessment and this sale results in disqualification from land use eligibility, Seller shall pay any rollback taxes assessed. **If the Property continues to be eligible for land use assessment, Purchaser agrees to make application, at Purchaser's expense, for continuation under land use, and to pay any rollback taxes resulting from failure to file or to qualify.** In the event the Purchaser notifies the Seller herein of Purchaser's intention not to use the property in such a manner that the property remains eligible for the favorable tax treatment, the Seller shall be responsible for the payment of any rollback taxes, unless the parties expressly otherwise agree herein. Notwithstanding anything herein to the contrary, the provisions of this paragraph shall survive settlement and the delivery of the deed of bargain and sale.

14. DEFAULT: If either Seller or Purchaser defaults under this Contract, the defaulting party, in addition to all other remedies available at law or in equity, shall be liable for the brokerage fee set forth in paragraph 17 as if this Contract had been performed and for any damages and all expenses incurred by the non-defaulting party, the Listing Firm and the Selling Firm in connection with this transaction and the enforcement of any provisions of this Contract, including, without limitation, reasonable attorneys' fees and costs, if any. Payment of a brokerage fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Contract, shall not relieve the defaulting party of liability for any other fees due in connection with this transaction. The parties specifically intend this provision to be for the benefit of the Listing Firm and Selling Firm and to create a right of recovery in favor of both for breach of the provisions hereof. Purchaser further agrees, should Purchaser be the defaulting party, in addition to standard Contract remedies and damages, to be responsible for all reasonable expenses incurred by Seller in preserving the property and attempting to resell it, including but not limited to interest paid on loans in existence on the property at the time of breach to the time of resale, loss of use of equity and the difference between the net sales proceeds of this Contract and the final net sales proceeds of the resale.

15. TITLE INSURANCE DISCLOSURE: Purchaser may, at Purchaser's expense, purchase owner's title insurance to protect Purchaser's ownership interest in the Property. Virginia law (Va. Code §55-525.11) requires Purchaser's settlement agent to provide Purchaser notification of the availability of owner's title insurance, including mechanic's lien coverage, and of the general nature of such coverage, including whether the value of subsequent improvements is covered, and to obtain a written statement from Purchaser acknowledging the foregoing and whether Purchaser elects to obtain owner's title insurance. Purchaser may purchase either "standard" or "enhanced" owner's coverage. For purpose of owner's policy premium rate disclosure by Purchaser's lender, if any, Purchaser requests that enhanced owner's title insurance rates be quoted by Purchaser's lender. **Purchaser acknowledges that the authorization to quote enhanced owner's coverage does not obligate Purchaser to obtain any owner's title insurance coverage and that the availability of enhanced coverage is subject to underwriting criteria of the title insurer.**

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

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

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

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

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

21. ADDITIONAL TERMS: (Use this space for additional terms not covered in this Contract.)

* **22. STANDARD PROVISIONS:** All Standard Provisions on page 6 are incorporated by reference and shall apply to this Contract, unless expressly modified in paragraph 21, and except the following lettered Standard Provisions, which are hereby deleted:

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

WITNESS the following duly authorized signatures and seals:

_____(SEAL)
DATE
SELLER

_____(SEAL)
DATE
PURCHASER

ADDRESS

ADDRESS

PHONE _____
(Office) (Home)

PHONE _____
(Office) (Home)

(Fax) (Cell)

(Fax) (Cell)

(Email)

(Email)

_____(SEAL)
DATE
SELLER

_____(SEAL)
DATE
PURCHASER

ADDRESS

ADDRESS

PHONE _____
(Office) (Home)

PHONE _____
(Office) (Home)

(Fax) (Cell)

(Fax) (Cell)

(Email)

(Email)

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STANDARD PROVISIONS

A. DEFINITIONS:

PURCHASER'S CLOSING COSTS as used in this Agreement shall be defined to include attorneys' fees, settlement agent fees, appraisal fees, Clerk's recording fees, recording taxes, title insurance premiums, survey costs, loan origination fees, credit report fees, lender's document preparation and review fees, lender's tax service fees, lender's processing fees, amortization schedule fees, lender's overnight courier fees, lender's assumption fees and lender's inspection fees.

PURCHASER'S PREPAID COSTS shall be defined to include HUD insurance premiums, VA funding fees, private mortgage insurance premiums, hazard insurance premiums, escrow contributions (for taxes, private mortgage insurance and hazard insurance), unit and homeowners' association dues, interest and tax proration charges.

DISCOUNT POINTS shall be defined as those fees (excluding origination fee and any buydown points) charged by a first mortgage lender to make Purchaser a loan at the committed rate of interest.

BUYDOWN POINTS shall be defined as those fees (excluding origination fee and any discount points) charged by a first mortgage lender to make Purchaser a loan at a rate of interest below the standard prevailing rate of interest quoted at the time of commitment.

BUSINESS DAYS shall be defined as each day Monday through Friday, except holidays on which the majority of banks in the Roanoke Valley are closed.

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

C. RISK OF LOSS: All risk of loss or damage to the Property by fire, windstorm, casualty or other cause, or taking by eminent domain, is assumed by Seller until Settlement. In the event of substantial loss or damage to the Property before Settlement, Purchaser shall have the option of either (i) terminating this Contract and recovering the Deposit, in accordance with procedures defined in paragraph 7(a), or (ii) affirming this Contract, in which event Seller shall assign to Purchaser all the Seller's rights under any applicable policy or policies of insurance and any condemnation awards and pay over to Purchaser any sums received as a result of such loss or damage.

D. TITLE: At settlement, Seller shall convey the Property to Purchaser by a General Warranty deed containing English Covenants of Title (except that the deed from a personal representative of an estate or from a trustee shall be a Special Warranty deed), free of all encumbrances, tenancies and liens (except for taxes not yet due and payable), but subject to such restrictive covenants and easements of record which do not unreasonably impair the use of the Property for its intended 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 7, the access to a public road must be acceptable to each such lender. If the examination or survey reveals a title defect of a character that can be remedied by legal action or otherwise within a reasonable time, Seller, at its expense, shall promptly take such action as is necessary to cure such defect. If the defect is not cured within thirty (30) days after Seller receives notice of the defect, then either party may terminate this Contract at the expiration of such thirty (30) day period and the Deposit shall be refunded to Purchaser, in accordance with procedures defined in paragraph 7(a). Upon the making of such refund, this Contract shall be terminated, and no party shall have any claim against any other by reason of this Contract. The parties agree that the settlement date prescribed in paragraph 16 shall be extended if necessary to enable Seller to cure any title defect, but not for more than thirty (30) days, unless agreed by all parties.

E. SELLER'S AND PURCHASER'S OPTION: In the event the total cost of fulfilling Seller's obligations in Paragraph D of this Contract exceeds \$500.00, Seller shall have the option to (a) pay the total costs or (b) Purchaser shall have the option to (x) accept the Property in its present condition in which case Seller shall pay \$500.00 to Purchaser at settlement or (y) terminate this Contract and receive a refund of the Deposit, in accordance with procedures defined in paragraph 7(a).

F. LABOR AND MATERIAL: 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.

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

H. ACCESS TO PROPERTY: Purchaser and Purchaser's agents and engineers shall have the right to enter onto the Property at all reasonable times prior to settlement for purposes of engineering, surveying, title or such other work as is permitted under this Contract, so long as such studies do not result in a permanent change in the character or topography of the Property. Purchaser shall not interfere with Seller's use of the Property. In the event that this Contract is not consummated, upon demand from the Seller then Purchaser is to restore the Property back to its original condition before any tests or improvements were done. Purchaser shall keep the Property free and clear from all liens resulting from its work, studies, investigations or other activities performed pursuant to this Contract, and shall indemnify and hold Seller harmless against any loss or liability to person or property resulting from Purchaser's presence or activities on the Property. This obligation shall survive settlement and transfer of title and possession to the Property.

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