

**NEW HOMES SALES CONTRACT**

THIS NEW HOMES SALES CONTRACT ("Contract") is made on \_\_\_\_\_, 200\_\_\_\_, between \_\_\_\_\_ ("Purchaser") and **A & E HOMES, LLC**, a Virginia limited liability company ("Seller") who hereby acknowledge by their initials and signatures below the disclosure that in this real estate transaction, \_\_\_\_\_ ("Listing Company") represents the Seller, and \_\_\_\_\_ ("Selling Company") represents  the Purchaser **OR**  the Seller, the Listing Company and Selling Company, both being together "Broker". *(If the brokerage firm is acting as a dual representative for both Seller and Purchaser, with or without designated representatives, then the appropriate disclosure form is attached to and made a part of this Contract.)*

**WITNESETH:**

That for and in consideration of the monies to be paid in this Contract and the mutual promises and covenants of the parties, subject to the conditions contained in this Contract, Purchaser agrees to buy, and the Seller agrees to sell that certain real property and improvements to be constructed thereon located at \_\_\_\_\_ Such real property (hereinafter the "Property") is more particularly described as follows: Lot \_\_\_\_\_, Section \_\_\_\_\_, Block \_\_\_\_\_, \_\_\_\_\_ Subdivision in \_\_\_\_\_ County, Virginia \_\_\_\_\_, with improvements, including a house similar to Model \_\_\_\_\_.

**1. PURCHASE PRICE.**

Base Purchase Price: \$ \_\_\_\_\_  
Option Selections Per Addendum #6: \$ \_\_\_\_\_  
Lot Premium (If Applicable): \$ \_\_\_\_\_  
TOTAL PURCHASE PRICE: \$ \_\_\_\_\_  
Deposit This Date: Check # \_\_\_\_\_ \$ \_\_\_\_\_  
Additional Deposit On Or Before \_\_\_\_\_: \$ \_\_\_\_\_  
TOTAL DEPOSIT (the "Earnest Money Deposit"): \$ \_\_\_\_\_  
Balance To Close \$ \_\_\_\_\_  
(CASHIER'S CHECK OR WIRE TRANSFER payable to Settlement Agent, as hereinafter defined.) Subject to prorations, change orders and other adjustments, if any.

**2. MORTGAGE LOAN.**

a. Purchaser, at Purchaser's own expense, is to negotiate, procure and obtain a loan commitment for a first deed of trust on the Property in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) bearing interest at the rate of \_\_\_\_\_ percent per annum (\_\_\_\_\_%), or the maximum prevailing rate at the time of settlement. Purchaser shall make diligent, truthful and complete application for said loan(s) within Five (5) days of the Effective Date with such lender(s) as shall be selected by Purchaser and approved by Seller. Purchaser shall be responsible to arrange for any and all financing necessary for Purchaser to pay Seller for the Property. Seller agrees to cooperate with Purchaser in meeting requirements of Purchaser's lender, provided that no such requirements conflict with the terms hereof and that Seller shall not be bound by any contracts between Purchaser and Purchaser's lender. Purchaser shall be solely responsible for all loan placement fees, interest, appraisals, credit reports, surveys and any or all fees associated with obtaining financing.

b. Purchaser's obligations hereunder are contingent for a period of \_\_\_\_\_ (\_\_\_\_) days after the Effective Date in order for Purchaser to obtain a loan commitment satisfactory to Purchaser. Upon obtaining and accepting such loan commitment, Purchaser shall furnish Seller with a copy thereof. If, within \_\_\_\_\_ (\_\_\_\_) days from the Effective Date, Purchaser has not either (i) provided Seller with a copy of a written loan commitment, or (ii) terminated this Contract, Seller may, at its option, at any time thereafter, (i) either terminate this Contract and return the Earnest Money Deposit to Purchaser, or (ii) deem that this limited financing contingency has been satisfied.

**3. SETTLEMENT.** Pursuant to the terms of Paragraph 20(d), the parties hereto both select RGS Title, LLC, \_\_\_\_\_, (703) \_\_\_\_\_, as the settlement agent ("Settlement Agent"). Settlement shall occur at the time and location specified by Seller. At settlement, Purchaser shall pay for the following: examination of title, final survey fees, all title insurance premiums, all mortgage insurance premiums, if any, loan placement fees, and any other fees assessed by Purchaser's lender(s), title insurance and related fees, closing and settlement fees, preparation of papers, county and state transfer taxes, and all recordation charges. Seller shall pay for the preparation of the deed and the Virginia State Grantors Tax. In no event shall Purchaser attend settlement with an assignment of funds or fail to bring cash or a certified check for the balance due in accordance with this Contract.

Purchaser acknowledges that dates for commencement and completion of a new home are strictly estimates, subject to the performance of others (i.e. contractors, subcontractors, inspectors and developers), as well as weather conditions, availability of labor and materials and other factors beyond Seller's control. Seller estimates that substantial completion of the improvements to the Property will occur on or about \_\_\_\_\_ from the Effective Date. Seller shall incur no liability due to the delays in completion of said improvements to the Property or delay in conveyance of title for any reason. Pre-settlement occupancy/possession and expense reimbursements are not provided by Seller. Accordingly, Purchaser is advised to be flexible in its long- and short-range planning and its moving arrangements to allow for the possibility of delays.

Seller's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

**4. NOTICE OF SETTLEMENT.** Settlement shall be held upon substantial completion of the dwelling, and Seller shall give three (3) days notice to Purchaser of the time and date of settlement. If Seller is unable to substantially complete the house by the anticipated settlement date because it shall be delayed in the progress of construction by Acts of God, labor disputes, Seller's inability to obtain material and/or labor, financing, inclement weather, and any other causes beyond the reasonable or practical control of Seller, then the settlement date shall be extended a reasonable period of time, but in no event less than the period of time equal to such delay. The term "substantial completion," "substantially complete," or "substantially completed," as used in this Contract shall mean that an occupancy permit has been issued by the local governmental authority even if the improvements are not fully completed. Seller, at Seller's sole option, may delay settlement even if the dwelling is substantially completed in order to complete required items. Purchaser agrees to make settlement at such time as the improvements are "substantially completed" without requirement of an escrow for unfinished items. Should Purchaser's lender require any items in addition to the occupancy permit as conditions precedent to settlement, such items shall be satisfied at the sole cost of Purchaser.

**5. TITLE.** Seller agrees to execute and deliver a Special Warranty Deed at settlement. Delivery of the deed of conveyance by Seller and such other documents as are required by the terms of this Contract to the Settlement Agent shall be deemed a good and sufficient tender of performance by Seller. At settlement, title to the Property is to be good and insurable, subject however to covenants, conditions, restrictions, zoning ordinances, protective land use standards, easements and rights of way of record, and any other easements or other matters which may be observed by an inspection of the Property, otherwise this Contract may be terminated by either party. If so terminated, the Earnest Money Deposit returned to the Purchaser; provided, however, if the defects are of such character that they may readily be remedied by legal actions, such actions, if Seller elects to undertake same, must be taken promptly by and at Seller's expense, whereupon the time herein specified for full settlement by Purchaser will thereby be extended by the period necessary for such actions. The Property is sold subject to easements, if any, created or to be created, prior to or after settlement for the installation of utilities, streetlights, drainage, pathways, driveways, and any and all other such easements determined by Seller to be reasonably necessary for the development of the Property and/or any adjoining parcels. Purchaser agrees to execute any such easement(s) at no cost to Seller and to be bound by same. The Property is also sold subject to any and all covenants and restrictions created or to be created prior to or after settlement. Purchaser agrees to execute any and all documents necessary to effect such covenants and restrictions at no cost to Seller, and to be bound by same. The provisions of this paragraph shall survive settlement and shall not be merged into the deed.

It is understood that Purchaser is purchasing a completed dwelling, and that Seller is not acting as a contractor for Purchaser in the construction of the dwelling on the Property and that Purchaser shall acquire no right, title or interest in the dwelling except the right and obligation to purchase the same in accordance with the terms of this Contract upon its completion. Equitable title shall remain vested in Seller until delivery of the executed deed of conveyance.

**6. ADJUSTMENTS.** All rents, taxes, water and sewer charges, heating oil, and homeowner association dues, if any, and other operating charges are to be adjusted to date of settlement. Taxes, general and special, are to be adjusted according to the certificate of taxes issued by the collector of taxes. All charges imposed by any governmental authorities or agencies having jurisdiction shall be adjusted to the settlement date and subsequently be the responsibility of Purchaser.

**7. CONSTRUCTION.**

a. Subject to alternate selections (options) chosen by Purchaser, Seller agrees to deliver to Purchaser a dwelling similar, as to workmanship, material, type of construction and finish, to Seller's model house, if any, and plans and descriptive materials that have been reviewed and inspected by Purchaser.

b. Seller reserves the right to substitute design, materials or equipment, which in Seller's sole discretion are of comparable or similar quality, to make necessary structural changes in accordance with job conditions and applicable building codes, and to revise the structure or design as dictated by site or job conditions or according to Seller's sole unfettered discretion.

c. The location of the driveways, walks and patios, grading, planting and landscaping, including the disposition of existing trees and the control of water flow, the inclusion or exclusion of retaining walls, and other site details, including restrictive easements, and the manner in which the Property is graded and the location of the house thereon are subject to change in the absolute discretion of Seller. Further, the Property may have certain utility fixtures including electric transformers, catch basins, cable television or telephone service boxes, the location of which shall be determined by Seller, in its sole discretion.

d. Purchaser may, by selection from Seller's standard construction options, add to the basic plan for the model selected, provided, however:

(i) That selections must be submitted in writing on Seller's form and returned as follows: (i) within \_\_\_\_\_ (\_\_\_\_) days from the Effective Date for framing, exterior paint color, plumbing, HVAC, Appliance, cabinet and fireplace selections; and (ii) within \_\_\_\_\_ (\_\_\_\_) days from the Effective Date for electrical, electrical fixtures, ceramic tiles, flooring, hardware, landscaping and all other selections. Seller shall transmit costs to Purchaser as soon as Seller determines them and Purchaser shall have three (3) days after receipt of that information to advise Seller in writing which options Purchaser has selected;

(ii) THAT THE ENTIRE COST ESTABLISHED BY SELLER FOR ANY OPTIONS AGREED TO BY PURCHASER AND SELLER AFTER CONTRACT RATIFICATION SHALL BE PAID FOR BY PURCHASER WITHIN THREE (3) DAYS OF SELLER'S ACCEPTANCE OF SUCH OPTION AND ARE NON-REFUNDABLE;

Seller's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

(iii) That it is understood that this provision does not permit Purchaser to select an option once construction has proceeded beyond the stage where the option is available in the normal course of Seller's standard construction practices. SELLER MAY REJECT ANY CHANGE ORDER THAT WOULD CAUSE SUBSTANTIAL DELAY OR WOULD REQUIRE MAJOR CHANGES TO WORK ALREADY IN PLACE. ONLY CHANGE ORDERS THAT HAVE BEEN ACCEPTED, IN WRITING, BY SELLER, SHALL BE DEEMED TO BE PART OF THE WORK TO BE COMPLETED. ALL APPROVED CHANGE ORDERS SHALL BE ATTACHED HERETO AS EXHIBIT "7" AND MADE A PART HEREOF;

(iv) It is agreed that all furniture, personal property, wallpaper, shrubbery, furnishings, fences, landscaping, patios, and recreational facilities exhibited in model houses, or the standard features list, are not included in the purchase price unless expressly provided for in this Contract.

(v) **ALL SELECTIONS AND CHANGES MUST BE IN WRITING ON A FULLY EXECUTED CHANGE ORDER OR SIGNED SELECTION SHEET. NO ORAL OR VERBAL COMMITMENTS WILL BE RECOGNIZED. ALL CHANGE ORDERS ARE SUBJECT TO A \$250.00 PROCESSING FEE. IT IS THE RESPONSIBILITY OF THE PURCHASER TO INSURE THAT ALL CHANGES AND SELECTIONS CLEARLY REFLECT THE DESIRED CUSTOM FEATURES OF THE PURCHASER. SELLER WILL NOT BE RESPONSIBLE FOR ANY ADDITIONAL ITEMS EXCEPT THOSE EXPRESSLY WRITTEN ON A FULLY EXECUTED CHANGE ORDER OR ADDITIONAL SIGNED SELECTION SHEET AND PAID FOR IN FULL BY PURCHASER.**

e. Purchaser shall not in any manner, either directly or indirectly, instruct or otherwise give directions to any contractor, sub-contractor or supplier involved in the construction of the dwelling. Any violation of this provision shall, at the sole option of Seller, constitute a material breach of this Contract and, in addition to and not in limitation of any other remedies available to Seller, Seller may declare this Contract terminated and, in such event, any amounts paid toward the purchase price may be retained by Seller as fixed and liquidated damages.

f. It is acknowledged that this is a contract for the sale of a completed dwelling. Purchaser shall acquire no right, title or interest in the Property or the dwelling being constructed thereon prior to the conveyance of title at settlement. Seller is not acting as a general contractor hereunder and may, in fact, be hiring a general contract to complete the dwelling pursuant to the terms hereof.

g. Construction shall commence upon the issuance of a building permit and, subject to the provisions hereof, shall be completed within eighteen (18) months thereafter. Seller shall use commercially-reasonable efforts to obtain a building permit within six (6) months from the date hereof.

**8. TREES AND LOCATION.** The location, area and ground elevation of the buildings on the Property, number of stairs into the garage or to grade, and the revising of the plan, if necessary, to conform to the existing lot contours, are to be determined by Seller in its sole discretion. Seller shall remove such trees from the Property lot as it may deem necessary and it shall not be responsible for any damage to or destruction of the remaining trees during the process of construction. Seller shall be responsible only for trees planted by it. Seller's obligations to replace trees, shrubbery and other landscaping, as well as all of Seller's other repair and warranty obligations, shall be limited solely to the warranties set forth in Seller's limited warranty mentioned in Paragraph 11.

**9. ACCESS.** EXCEPT WITH THE EXPRESS WRITTEN AUTHORIZATION AND INVITATION OF SELLER, AND UNLESS ACCOMPANIED BY AN AUTHORIZED REPRESENTATIVE OF SELLER, PURCHASER MAY NOT HAVE ACCESS OR ENTRY TO THE DWELLING UNIT OR THE CONSTRUCTION SITE DURING CONSTRUCTION, nor may Purchaser store any of his possessions in or about the Property prior to settlement. Any violation of this provision may, at the election of Seller be considered a material breach of this Contract and, in addition to and not in limitation of any other remedies available to Seller, Seller may declare this Contract terminated and, in such event, any amounts paid toward the purchase price may be retained by Seller as fixed and liquidated damages. Further, as construction sites are inherently dangerous, should Purchaser enter the Property at any time in violation of this paragraph, Seller assumes no liability or responsibility for any injuries suffered by Purchaser while visiting the said dwelling unit or construction site.

**10. AGENCY.** Seller recognizes \_\_\_\_\_ and \_\_\_\_\_ of the Listing Company and Selling Company, respectively, as the agent(s) negotiating this Contract and agrees to pay a fee for services rendered pursuant to the terms of a separate written agreement between Seller and the Listing Company. All commissions shall be paid as a percentage of the Base Purchase Price and shall be deemed earned upon settlement. Purchaser warrants and represents that they have not dealt with any real estate agents other than as specified herein.

**11. WARRANTIES.** Purchaser has been afforded the opportunity to review Seller's limited warranty prior to the execution of this Contract, has received a specimen copy of the warranty and agrees to accept this warranty as the sole warranty being given by Seller to Purchaser. A copy of Seller's limited warranty is attached hereto as Exhibit "5" and made a part hereof and shall be signed by Purchaser at settlement.

**THE WARRANTIES SET FORTH IN § 55-70.1 OF THE CODE OF VIRGINIA, AS AMENDED, WHICH PROVIDE THAT "...AT THE TIME OF TRANSFER OF RECORD TITLE OR THE VENDEE'S TAKING POSSESSION, WHICHEVER OCCURS FIRST, THE DWELLING TOGETHER WITH ALL ITS FIXTURES IS SUFFICIENTLY (i) FREE FROM STRUCTURAL DEFECTS, SO AS TO PASS WITHOUT OBJECTION IN THE TRADE, (ii) CONSTRUCTED IN A WORKMANLIKE MANNER, SO AS TO PASS WITHOUT OBJECTION IN THE TRADE, AND (iii) FIT FOR HABITATION..." ARE HEREBY SPECIFICALLY EXCLUDED. SELLER'S LIMITED WARRANTY AS PREVIOUSLY DESCRIBED IN THIS PARAGRAPH SETS FORTH THE SOLE WARRANTIES, EXPRESS OR IMPLIED, FROM SELLER TO PURCHASER.**

**IT IS FURTHER ACKNOWLEDGED AND AGREED THAT ANY FIXTURES, APPLIANCES OR OTHER ITEMS PLACED IN THE PROPERTY BY PURCHASER OR PURCHASER'S AGENT(S) AS WELL AS ANY ITEMS NOT SPECIFICALLY SET FORTH IN THIS CONTRACT, THE ADDENDA ATTACHED HERETO AND/OR ANY CHANGE-ORDER(S) DULY EXECUTED BY SELLER AND PURCHASER, SHALL NOT BE WARRANTED BY SELLER.**

Seller's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

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**12. USE OF FUNDS.** The Earnest Money Deposit and all option deposits shall be paid to Seller and shall be credited to Purchaser at Settlement. Purchaser agrees that the Earnest Money Deposit and the cash payments for optional extras may be used immediately by Seller as part of its operating funds.

**13. UNSOLD UNITS AND PROMOTIONAL DISPLAYS.** Until such time as all of the dwelling units in Seller's subdivision are sold, Seller reserves the right to make such use of unsold dwelling units, the common elements, streets and main entrances of the project as are necessary for its sales and construction program. Purchaser recognizes and acknowledges their understanding that, in order to accomplish Seller's construction program, trucks, construction equipment and personnel noise and other inconveniences attendant to such work may be present. Purchaser agrees not to obstruct, picket or impede any such construction or sales activities, now or in the future. The provisions of this paragraph shall survive closing.

**14. FORFEITURE OF DEPOSIT/LEGAL REMEDIES UPON DEFAULT.** The parties agree that this Contract to purchase the Property is the sole inducement for Seller to have the dwelling constructed and to hold the Property off the market. If Purchaser shall fail to make full settlement on the date specified by Seller, the Earnest Money Deposit may be forfeited at the option of Seller as liquidated damages and not as a penalty, in which event Purchaser shall be relieved from further liability; provided, however, at Seller's sole option, Purchaser may be permitted to defer settlement not in excess of seven (7) days after the appointed settlement date by payment of Three Hundred Dollars (\$300.00) per day to defray carrying costs, said added costs to be payable at settlement. In lieu of forfeiture of the Earnest Money Deposit, Seller may elect to avail itself of any rights which it may have under this Contract, at law or in equity. Purchaser's sole remedy, in the event of Seller's default, shall be cancellation of this Contract and a return to them of all deposits made hereunder, plus the sum of One Thousand Dollars (\$1,000.00) as agreed-upon liquidated damages. The provisions of this paragraph shall survive closing and any termination of the Contract.

**15. ASSIGNMENT.** This Contract cannot be assigned by Purchaser.

**16. INSULATION.** Insulation in the dwelling will be installed as follows: (a) Exterior walls, with exception of the basement, will have Fiberglass type insulation and will have 3.5 inches of insulation which will yield an R-13 according to the manufacturers; (b) insulation in the exterior basement walls extends three feet below grade and will be Fiberglass insulation type which will yield an R factor of R-11 according to the manufacturers; (c) insulation in the overhangs and garage ceiling with living space above will have Fiberglass type insulation and will have six inches of insulation which will yield an R factor of R-19 according to manufacturers; (d) insulation in the attic floor (not including the garage ceiling) will have Fiberglass type insulation and will have ten inches of insulation which will yield an R factor of R-30 according to the manufacturers; (e) insulation in sloped or vaulted ceilings will have Fiberglass type insulation and will have six inches of insulation which will yield an R factor of R-19 according to the manufacturers.

**17. PRE-SETTLEMENT INSPECTION.** Upon at least seven (7) days' notice in advance to Purchaser, Purchaser and Seller shall, during normal business hours, inspect the Property and note in the Pre-Settlement Inspection Report provided by Seller any work covered by the warranty which is incomplete, which itemized list Purchaser shall sign at the time of such inspection. Thereafter, upon acceptance of the deed of conveyance by Purchaser, Purchaser agrees to hold Seller free from liability for any visible defects not specifically noted in said Pre-Settlement Inspection Report. Seller hereby agrees to correct as many of the items noted on the Pre-Settlement Inspection Report as possible prior to settlement. The Pre-Settlement Inspection Report is Purchaser's assurance that any incomplete work duly noted thereon will be done as promptly as weather and work load permit. It is further understood and agreed that no funds shall be held in escrow in the event that any of the items on the Pre-Settlement Inspection Report are not completed by the settlement date. Settlement shall not be postponed due to incomplete items. Items noted on Pre-Settlement Inspection Report will be corrected only if Purchasers are entitled to the items under this Contract or the warranty. The provisions of this paragraph shall survive closing and shall not be merged into the deed.

**18. DELIVERY AND POSSESSION.** Seller agrees to give possession of the Property at the time of settlement, provided Purchaser has paid the full purchase price in cash to Seller and complied with all of the terms of this Contract. The inability of Seller to perform and/or make delivery because of any local, municipal, county, state or Federal action, regulation, order or other governmental requirement, material or labor shortage shall not effect the validity and enforceability of this Contract and all time periods for performance and/or delivery shall automatically be extended until relief from such action, lack of materials or labor allows Seller in the reasonable course of business to perform its obligations under this Contract, provided always that Seller shall have the right to return Purchaser's deposit and declare this Contract null and void if, in its sole discretion, Seller determines that performance within 365 days from the date of anticipated settlement of this Contract will not be possible.

**19. RISK OF LOSS.** Seller assumes the risk of loss or damage to the Property by fire or other casualty, until the deed of conveyance is delivered to the Settlement Agent on the date of settlement. If any such loss or damage occurs, Seller may terminate this Contract and refund the deposit to Purchaser without further liability, whatsoever. Purchaser shall have no right to or interest in any fire or other casualty or hazard insurance proceeds. For reasons of insurance coverage, neither Purchaser nor any of Purchaser's agent shall be entitled to enter onto the Property, prior to settlement, without the express consent of Seller, which may be given or withheld by Seller in its sole and absolute discretion.

**20. STATUTORY DISCLOSURES.**

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

Seller's Initials \_\_\_\_\_

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Purchaser's Initials \_\_\_\_\_

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

For purposes of clause (ii), the association packet shall be deemed not to be available if (i) a current annual report has not been filed by the association with either the State Corporation Commission pursuant to § 13.1-936 of the Virginia Code or with the Real Estate Board pursuant to § 55-516.1 of the Virginia Code, (ii) the Seller has made a written require to the association that the packet be provided and no such packet has been received within 14 days in accordance with subsection E of § 55-512, or (iii) written notice by the Association that a packet is not available.

If more than six months have elapsed between the date of ratification of this Contract and the Settlement Date, Purchaser may submit a copy of the Contract to the property owners' association along with a request for assurance that the information required by § 55-512 of the Virginia Code previously furnished to Purchaser in the association disclosure packet remains materially unchanged; or, if there have been material changes, a statement specifying such changes. Purchaser shall be provided with such assurances or such statement within 10 days of the receipt of such request by the property owner's association. Purchaser may be required to pay a fee for the preparation and issuance of the requested assurances. Said fee shall reflect the actual costs incurred by the property owners' association in providing such assurances but shall not exceed \$100 or such higher amount as may now or hereafter be permitted pursuant to applicable statutes.

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

Purchaser acknowledges receipt of a disclosure package for the \_\_\_\_\_  
\_\_\_\_\_ Homeowners Association.

Purchaser further acknowledges receipt of the following information regarding the obligation to pay assessments to the association:

Assessment payments due  monthly  quarterly; Amount per payment \$\_\_\_\_\_.

Purchaser's working capital contribution to the association collected at settlement in addition to the assessment: \$\_\_\_\_\_.

The parties acknowledge that the amount of the periodic homeowner association assessment is subject to change as provided in the Association Disclosure Packet.

b. POSSIBLE FILING OF MECHANICS' LIENS.

NOTICE

Virginia law (§43-1, et seq.) permits persons who have performed labor or furnished materials for the construction, removal, repair or improvement of any building or structure to file a lien against the property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 days from the last day of the month in which the lienor last performed work or furnished materials or (ii) 90 days from the time the construction, removal, repair or improvement is terminated. AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.

c. VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT. The Virginia Residential Property Disclosure Act requires the seller of a new dwelling to disclosure in writing all known material defects that would constitute a violation of any applicable building codes.

d. **Choice of Settlement Agent: You have the right to select a settlement agent to handle the closing of this transaction. The settlement agent's role in closing your transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, your lender will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.**

**Escrow, closing and settlement service guidelines: The Virginia State Bar issues guidelines to help settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, settlement or closing services. As a party to a real estate transaction, you are entitled to receive a copy of these guidelines from your settlement agent, upon request, in accordance with the provisions of the Consumer Real Estate Settlement Protection Act.**

Seller's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

e. **Notice of Principal Residence:** Purchaser  does  does not intend to occupy the Property as Purchaser's principal residence.

f. **Notice to Purchaser:** Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on any sexual offender registered under Chapter 23, Section 19.2-387 et seq. of Title 19. Such information may be obtained by contacting the local police department or the Department of State Police, Central Records Exchange at (804) 674-2000.

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

h. **Compliance.** Seller shall comply with all local requirements building permits, inspections and zoning in the construction of the dwelling on the Property.

**21. MISCELLANEOUS.**

a. The invalidity of any specific provision or provisions of this Contract shall not effect the validity or enforceability of any other provisions or the Contract as a whole and the Contract shall survive absent the invalidated provision or provisions. No action or inaction by Seller shall be construed to be a waiver of Seller's rights or remedies in the future.

b. The principals of this Contract mutually agree that it shall be binding upon them and each of their respective heirs, executors, administrators and successors, if applicable.

c. TIME IS HEREBY DECLARED TO BE OF THE ESSENCE in the performance by Purchaser of each of Purchaser's obligations under this Contract.

d. Purchaser specifically warrants that unless otherwise stated and agreed to in a separate addendum attached hereto, if any, this Contract is in no way contingent upon the sale, rental, settlement or other disposition of any other property owned by Purchaser.

e. Some persons may experience allergic and medical reactions to components of various land gases, atmospheric elements or building materials. Seller does not warrant the land, air masses or any building materials used in, under or above this house to be free from any possible radioactivity or toxicity to users or occupants, and therefore, disclaims any liability from any problems arising from those items. Additionally, Purchaser may, after reasonable notice to Seller, inspect for radon gas or other hazardous materials, which may affect the Property and for which Seller disclaims all liability.

f. This Contract, and any attached addenda, contains the final and entire agreement between the parties, and they agree that they have not relied on and they shall not be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained in this Contract and its addenda. Purchaser further acknowledges that no sales agent has the authority to make representations on behalf of Seller and that no sales agent or consultant has made any representations not contained in this Contract.

g. This Contract shall be construed and interpreted in accordance with the laws of the Commonwealth of Virginia.

h. The use of any gender herein shall be deemed to be or include the other genders and the use of the singular herein shall be deemed to be or include the plural (and vice-versa), wherever appropriate.

i. Any notice required or permitted to be given hereunder shall be deemed given when personally delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid or delivered by a courier who guarantees overnight delivery, properly addressed as follows:

In the case of notices directed to Seller: A & E Homes, LLC  
5758 Laurel Glen Court  
Manassas, Virginia 20112-3057

In the case of notices directed to Purchaser: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

j. **Attorneys Fees.** In the event of any action or proceeding involving a dispute between the Seller and the Purchaser arising out of this Contract, Purchaser shall reimburse Seller for all costs and expenses so incurred by Seller in enforcing the terms hereof, including, but not limited to, reasonable attorneys fees. The provisions of this paragraph shall survive settlement and any termination of the Contract.

k. IN THE EVENT OF ANY LEGAL PROCEEDINGS OR LITIGATION BETWEEN THE PARTIES HERETO ARISING OUT OF THIS CONTRACT OR THE SALE OF THE PROPERTY, EACH OF THE PARTIES HERETO HEREBY WAIVES THE RIGHT TO A TRIAL BY JURY IN SUCH LEGAL PROCEEDINGS OR LITIGATION.

Seller's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

l. **SELLER SHALL NOT BE RESPONSIBLE FOR PERSONAL INJURY, PROPERTY DAMAGE, OR OTHER ECONOMIC LOSSES ARISING FROM ENVIRONMENTAL OR ECOLOGICAL CONDITIONS, INCLUDING BY NOT LIMITED TO MOLD, MOLD SPORES, FUNGUS CONTAMINATION AND RADON CONTAMINATION. THE AGGREGATE LIABILITY OF SELLER WITH RESPECT TO ANY AND ALL CLAIMS ARISING OUT OF THE PERFORMANCE OR NON-PERFORMANCE OF OBLIGATIONS BY SELLER IN CONNECTION WITH THIS CONTRACT SHALL IN NO EVENT INCLUDE DAMAGE FOR LOSS OF PROFITS OR REVENUE, LOSS OF USE, LOSS BY REASON OF INABILITY TO OCCUPY OR RESIDE IN THE PROPERTY, INCREASED COST OF PURCHASER OR PROVIDING MATERIALS, SUPPLIES OR SERVICES, COST OF REPLACEMENT, INDEMNIFICATION FOR THIRD PARTY CLAIMS, OR PUNITIVE, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER.**

m. This Contract may be signed in one or more counterparts, each of which is deemed to be an original, and all of which shall together constitute one and the same instrument. Documents obtained via facsimile machines shall also be considered as originals. Typewritten or handwritten provisions included in this Contract shall control all pre-printed provisions that are in conflict.

**22. DRAINAGE AND SEEDED OR SODDED LAWNS.** Seller will grade and seed the yard with a warranted 75% stand of grass and no holding or ponding water within 48 hours of a rain fall. New lawns require high maintenance of water, new seed, weed killer, core aeration, and fertilization. Varying climate conditions determine the success or failure of new lawn which are out of the control of the Seller. **Purchaser must water, seed, weed kill, core aerate and fertilize the new lawn immediately upon occupancy of the Property to ensure proper lawn growth and stabilization. Wash outs due to heavy rainfall are the responsibility of the Purchaser and not the Seller.**

**23. RADON NOTICE.** The United States Environmental Protection Agency ("EPA") has indicated that a number of homes in the United States experience elevated levels of radon gas. Radon is a naturally occurring gas that is caused by the radioactive decay of the element radium. Since Radium is contained in the earth's crust and dissolves readily in water, radon can be found virtually everywhere. Radon gas can enter the home through a variety of sources, such as through joints or normally occurring cracks in concrete floors or walls, floor drains and sumps. This phenomenon can occur in any home. Seller claims no experience in the measurement or reduction of radon gas levels in homes or regarding acceptable levels or the possible health hazards of the gas. Should Purchaser seek information about radon, Purchaser should contact the EPA or the Virginia state environmental protection office.

**24. ARBITRATION.** Any and all claims, disputes and controversies arising under or relating to this Agreement or the services provided by or workmanship of [Builder], including without limitation, any claim of subrogation, breach of contract, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, and breach of any alleged duty of good faith and fair dealing, shall be submitted to arbitration. Unless the parties mutually agree otherwise, an arbitration shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association in effect at the time of the request for arbitration. Such arbitration shall take place in the State of Virginia. Demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction.

WE, the undersigned, ratify, accept and agree to this Contract:

**PURCHASER:**

\_\_\_\_\_  
Date Purchaser \_\_\_\_\_(SEAL)

\_\_\_\_\_  
Date Purchaser \_\_\_\_\_(SEAL)

Purchaser's Telephone:  
(H) \_\_\_\_\_  
(W) \_\_\_\_\_

**SELLER:**  
A & E HOMES, LLC

By: \_\_\_\_\_(SEAL)  
Its:

Virginia Class "A" Contract's License # \_\_\_\_\_  
Expiration Date: \_\_\_\_\_

**SELLING COMPANY:**

\_\_\_\_\_  
By: \_\_\_\_\_(SEAL)  
\_\_\_\_\_, Realtor

**LISTING COMPANY:**

\_\_\_\_\_  
By: \_\_\_\_\_(SEAL)  
\_\_\_\_\_, Realtor

\_\_\_\_\_  
Effective Date

Seller's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

ADDENDA ATTACHED HERETO AND MADE A PART HEREOF:

<u>Yes</u>	<u>No</u>		
<input type="checkbox"/>	<input type="checkbox"/>	#1	House Specifications/Features (_____ Pages)
<input type="checkbox"/>	<input type="checkbox"/>	#2	Front Elevation and Floor Plans (_____ Pages)
<input type="checkbox"/>	<input type="checkbox"/>	#3	Site Plan (1 Page)
<input type="checkbox"/>	<input type="checkbox"/>	#4	Agency Disclosure (1 Page)
<input type="checkbox"/>	<input type="checkbox"/>	#5	Limited Builder Warranty
<input type="checkbox"/>	<input type="checkbox"/>	#6	Options Selections (_____ Pages)
<input type="checkbox"/>	<input type="checkbox"/>	#7	Change Orders

Seller's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_