



Standard Clauses Addendum

This is an addendum to the Contract dated _____, between TIM YOUNGS PAINTING, LLC, Seller; and _____, Purchaser; on the sale of CREEKWOOD DR. ROCKY MOUNT, Virginia. The following numbered clauses with a checked box are made a part of the Contract.

Clauses not checked are not part of the Contract.

☐ 1. GOVERNMENT LOANS

☐ A. VA CLAUSE

It is expressly agreed that, notwithstanding any other provisions of this Contract, the Purchaser shall not incur any penalty or forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the Contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs (VA). The Purchaser shall, however, have the privilege and option of proceeding with the consummation of this Contract without regard to the amount of the reasonable value established by VA.

☐ B. HUD OR VA AMENDATORY CLAUSE

It is expressly agreed that, notwithstanding any other provisions of this Contract, the Purchaser shall not be obligated to complete the purchase of the property described herein 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, Veterans Administration or a Direct Endorsement Lender setting forth the appraised value of the property of not less than \$_____. The Purchaser shall have the privilege and option of proceeding with the consummation of the Contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. The Purchaser should satisfy himself/herself that the price and the condition of the property are acceptable.

☐ C. REAL ESTATE CERTIFICATION FOR FHA INSURED MORTGAGE TRANSACTION

We certify that the terms of this Purchase Agreement are true to our best knowledge and belief and that there are no other agreements entered into between the Seller(s), the Purchaser(s) or the Agent, except those attached to the Contract. We certify that we have no knowledge of any loans that have been or will be made to Purchaser(s), or loans that have been or will be assumed by the Purchaser(s), for purposes of financing this transaction, other than those described in the Contract (including addendums). We certify that we have not and will not pay or reimburse the Purchaser(s) for any part of the cash downpayment. We certify that we have not and will not pay or reimburse the Purchaser(s) for any part of the Purchaser(s) closing costs which have not been previously disclosed in the Contract (including any addendums).

☐ 2. CONSUMMATION

This Contract is subject to the consummation of the existing contract of sale of the Purchaser's property located at _____ which is scheduled to close on _____. If settlement of Purchaser's contract of sale does not occur within two (2) weeks of this date, Seller shall have the right to terminate this Contract. Absent such notice from Seller, the time of consummation will be automatically extended until Seller notifies Purchaser of termination. In the event of termination, the Deposit shall be refunded in full to the Purchaser, in accordance with procedures defined in paragraph 11(a) of the Contract.

Seller's obligation under this Contract is subject to Seller's receiving a copy of the contract of sale of Purchaser's property and any other contracts that affect the consummation of this sale within (5) five business days of full execution of the Contract and providing Purchaser and Selling Agent written approval of the contract(s) within ten (10) business days of full execution of the Contract. In the event the Seller does not receive copies of all contracts within five (5) business days or receives and reviews same and is not satisfied with the terms of any of the contracts, the Seller reserves the right to terminate the Contract. In the event of termination, the Deposit shall be refunded in full to the Purchaser, in accordance with procedures defined in paragraph 11(a) of the Contract.

The Contract is subject to approval of all other loans for all other purchasers that affect the consummation of Purchaser's sale and receipt by Seller of a copy of the approval of each such loan by 5:00 PM on or before _____. In the event Seller does not receive any of the above mentioned letters, the Seller reserves the right to terminate the Contract. In the event of termination, the Deposit shall be refunded in full to the Purchaser, in accordance with procedures defined in paragraph 11(a) of the Contract.

☐ 3. 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.

☐ 4. BACK-UP CONTRACT

This Contract is first back-up Contract to existing contract dated _____ and will go into full force and effect in the event the existing contract is terminated. Purchaser reserves the right, at any time up to the acceptance of this Contract as the first contract, to terminate this Contract and require the deposit to be returned to the Purchaser, in accordance with procedures defined in paragraph 11(a) of the Contract.

☒ **5. NEW CONSTRUCTION CLAUSE (Only applicable for new construction)**

The attic in the new home is insulated with AS PER COUNTY CODE type of insulation having a thickness of _____, resulting in an R-Value of _____ according to the manufacturer. Exterior walls of heated finished rooms are insulated with _____ type of insulation having a thickness of _____ inches, resulting in an R-Value of _____ according to the manufacturer. In addition (if applicable) such exterior walls are also insulated with _____ type of insulation having a thickness of _____, resulting in an R-Value of _____ according to the manufacturer. Ceilings of unfinished areas of the basement are insulated with _____ type of insulation having a thickness of _____, resulting in an R-Value of _____ according to the manufacturer.

☐ **6. POA DISCLOSURE PACKET AUTHORIZATION**

It is further agreed that in addition to the requirements of the Virginia Property Owners' Association Act, as amended, as outlined in the Contract, that the Seller and Purchaser agree to the following: If the Seller provides the Purchaser a property owners' disclosure packet which (i) does not contain information which is current to within _____ days of the date of this fully executed Contract, Purchaser reserves the right to request in writing within three (3) days of Purchaser's receipt of the initial property owners' disclosure packet an updated property owner's association disclosure packet, containing the required information which is current to within _____ days of the date of this fully executed Contract. Seller, at its expense, shall provide for the preparation and delivery of such updated property owners' disclosure packet. The Purchaser may cancel this Contract (a) within three (3) days after the hand-delivered receipt of the initial or updated property owners' disclosure packet; or (b) within six (6) days after the postmark date if the initial or updated property owners' disclosure packet is mailed to the Purchaser. The Purchaser shall have the right to terminate this Contract under the same terms as outlined in the first section of paragraph 5.

☐ **7. QUALIFICATION LETTER FROM LENDING INSTITUTION**

This Contract is subject to Seller receiving letter from lending institution by 5:00 PM on or before _____, stating that, based on information provided at loan application, and the written credit report obtained by lender, the Purchaser will qualify for the loan described in this Contract. **This qualification letter does not constitute loan approval.** If Seller does not receive the letter from the lending institution by 5:00 PM on or before _____, Seller will have the right to terminate this Contract. In the event of termination, the Deposit shall be refunded in full to the Purchaser, in accordance with procedures defined in paragraph 11(a) of the Contract.

☐ **8. REZONING**

This Contract is subject to the real estate being rezoned for the Purchaser's intended use, which is _____ and requires the Property to be rezoned for that purpose.

Purchaser agrees to make zoning application by _____ and to provide necessary information to the proper authorities in a timely manner. If Purchaser fails to file the application within the time specified, Seller at its option will have the right to terminate the Contract upon notice to Purchaser. If Purchaser makes timely application and having made every effort, fails to obtain final approval on or before _____, Purchaser will not be deemed in default, but Seller will nevertheless have the right to terminate the Contract upon notice to Purchaser; in that event, Purchaser will be entitled to refund of the Deposit, in accordance with procedures defined in paragraph 11(a) of the Contract, and thereupon none of the parties will have further obligation hereunder to the others. Absent such notice from Seller, the time for zoning application and/or final approval will be automatically extended until Seller notifies Purchaser of termination.

Seller agrees to cooperate with the Purchaser on any applications required to obtain the rezoning outlined above, but all costs of rezoning shall be the Purchaser's sole responsibility. Seller shall sign any applications for rezoning and/or special use permits, and such other documents as may be necessary for the successful rezoning of the subject real estate as outlined above.

☐ **9. INFLOW AND INFILTRATION INSPECTION**

This Contract is subject to an Inflow and Infiltration Inspection of the sewer drainage system by the Western Virginia Water Authority to determine if any storm/ground water runoff flows into the Authority's sanitary sewer system. This inspection shall be provided by the Seller and the inspection shall be completed within _____ (no less than five) business days from the date of full execution of this Contract by all parties. Results of the inspection shall be in accordance with Paragraph 14 of the Purchase Agreement. The Seller's costs for any corrections required by the Western Virginia Water Authority will be included in the total cost of fulfilling Seller's obligations as described by the provisions of Paragraph H of the Standard Provisions of the Purchase Agreement, as if set forth herein and hereby made a part hereof.

☐ **10. 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. 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. 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 monthly 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 rate, 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. In the event of termination, the Deposit shall be refunded in full to the Purchaser, in accordance with procedures defined in paragraph 11(a) of the Contract. 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.

☐ **11. ASSUMING LENDER'S FIRST TRUST**

This Contract is subject to Purchaser assuming: () CONVENTIONAL, () FHA, () VA, () VHDA or () other (describe) _____ loan secured by a first deed of trust lien on the Property in the approximate principal balance of \$ _____ bearing interest () at a fixed rate of _____% per year, or () at an adjustable rate presently at _____% per year amortized over the remaining term of approximately _____ years. In the event the balance due on this assumed loan exceeds the amount specified in this paragraph, the balance paid by Purchaser in cash shall be reduced accordingly from the total of the Purchase Price. In the event the balance due on this assumed loan is less than the amount specified in this paragraph, the balance paid by Purchaser in cash shall be increased accordingly to total the Purchase Price. If sale is by loan assumption, interest on loans to be assumed shall be current to date of settlement; furthermore, funds held in escrow for payment of any prepaid items shall be current at date of settlement, and Purchaser agrees to reimburse Seller for such escrow funds upon assumption at settlement. The balance of the Purchase Price shall be paid by Purchaser in cash, cashier's check, certified check or wire transfer funds at settlement. In the event the balance due on any assumed loan exceeds the amount specified in this paragraph, the balance paid by Purchaser in cash shall be reduced accordingly to the total Purchase Price. In the event the balance due on any assumed loan is less than the amount specified in this paragraph, the balance paid by Purchaser in cash shall be increased accordingly to the total Purchase Price.

In the event there is a conflict between this Standard Clauses Addendum and the Contract, the provisions of this Addendum shall control.

Selling Agent Date

Purchaser Date

Listing Agent Date

Purchaser Date

Seller Date 10-8-10

Seller Date

Warning: It is a crime to knowingly make false statements to the United States Government on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details, see: Title 18 U.S. Code Section 1001 and Section 1010.

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