



ROANOKE VALLEY ASSOCIATION OF REALTORS



Standard Clauses Addendum

This is an addendum to the Contract dated _____, between _____ Seller; and _____ Purchaser; on sale of _____, 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 Purchasers 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 within twenty-four (24) hours of full execution of this Contract. In the event the Seller does not receive a copy of the contracts within twenty-four (24) hours or receives and reviews same and is not satisfied with the terms of the contracts, the Seller shall have the right to terminate this Contract in writing within forty-eight (48) hours of full execution of 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.

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 _____ 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.

The Board of Contractors for the Commonwealth of Virginia requires that the Seller/Builder disclose the following information that appears on the contractor's license:

Contractor's Name _____

Address _____

License Number _____ Class _____ Expiration Date _____

Classifications _____

☐ 6. 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, the lender has reviewed a written credit report, verified income and assets needed to 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 at its option will have the right to terminate this Contract upon written notice to the Purchaser. Absent such notice from Seller, the time for receipt of this letter 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.

☐ 7. REZONING

This Contract is subject to the real estate being zoned 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.

☐ 8. 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 note holder at all times a certificate of the insurer showing casualty insurance in force and showing the note holder as a loss payee with provision for no cancellation without at least thirty (30) days' notice to note holder; 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 note holder 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 note holder. 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.

☐ 9. LEASED EQUIPMENT DISCLOSURE

The Seller represents that the following equipment is leased. (Check "NONE" if there is no leased equipment.) The Purchaser may elect to continue leasing the equipment. In the event the Purchaser elects not to lease the equipment, the Seller will be responsible for having the equipment removed and repairing any damage that is the result of the removal of the equipment.

_____ None	_____ Propane Tank
_____ Water Heater	_____ Satellite Dish
_____ Water Softener	_____ _____
_____ Security Alarm System	_____ _____

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
		_____	_____
		Purchaser	Date
_____	_____	_____	_____
Listing Agent	Date	Seller	Date
		_____	_____
		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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