

## Condominium Nonbinding Reservation And Purchase Agreement

**THIS PURCHASE AGREEMENT** ("Agreement") made this \_\_\_\_\_ day of, \_\_\_\_\_ by and between \_\_\_\_\_ ("Purchaser"), and Windsor Court, LLC, a Virginia limited liability company, located at 3710 Glades End Lane, Richmond, VA 23233("Declarant"). For and in consideration of the mutual promises and agreements set forth herein and subject to the conditions set forth below, Purchaser hereby agrees to buy from Declarant and Declarant hereby agrees to sell to Purchaser Unit No. \_\_\_\_\_ ("Unit") in that residential condominium project known as **Windsor Court Condominiums** (the "Condominium"). The address of the Unit is 1608-10-12-14 Grove Ave., Unit \_\_\_\_\_, Richmond, Virginia 23220. The Unit is to be subject to the provisions of the Declaration, By-laws, Plats and Plans, which will be recorded at the Clerk's office of the Circuit Court of the City of Richmond, Virginia.

This Agreement is subject to the following terms and conditions:

### 1. AGREEMENT NOT BINDING UNTIL REGISTRATION; CANCELLATION.

**WINDSOR COURT CONDOMINIUMS HAVE NOT BEEN REGISTERED BY THE VIRGINIA REAL ESTATE BOARD. A CONDOMINIUM UNIT MAY BE RESERVED ON A NONBINDING RESERVATION AGREEMENT, BUT NO CONTRACT OF SALE OR LEASE MAY BE ENTERED INTO PRIOR TO REGISTRATION.**

Until such time as the Condominium is registered with the Virginia Real Estate Board, this document shall be considered only a **NON-BINDING RESERVATION AGREEMENT**, and may be terminated at the discretion of either Purchaser or Declarant at any time without penalty of any kind. Upon termination of this Reservation Agreement by either party in writing, any deposit held shall be refunded promptly to Purchaser.

Upon registration of the Condominium and the delivery of the Public Offering Statement by Declarant to Purchaser, this Agreement shall become an enforceable Purchase Agreement, subject to the Purchaser's right to cancel set forth herein. This Purchase Agreement is expressly, and without qualification, subject to cancellation by Purchaser within ten (10) days from the date of delivery of the Public Offering Statement to Purchaser by Declarant. Purchaser shall acknowledge the date of the receipt of the Public Offering Statement in writing. Notice of cancellation must be received by Declarant before the expiration of such ten (10) day period. Such written cancellation may be made by hand-delivering notice thereof to Declarant or mailing notice of same to Declarant by U.S. mail return receipt requested. Such cancellation shall be without penalty and any deposit made by Purchaser shall be promptly refunded in its entirety. Except as provided below regarding evidence of ability to purchase, no action under the terms of this Agreement is required by Purchaser until the expiration of the ten (10) day cancellation period. Only upon the expiration of the ten (10) day cancellation period set forth above, the terms and provisions of this Purchase Agreement shall become binding upon the parties hereto.

Within ten (10) days from the date this Agreement, Purchaser shall submit such information, financial and otherwise, to Declarant indicating Purchaser's ability to purchase the Unit hereunder.

**2. PRICE.**

Purchase Price of \_\_\_\_\_ Dollars  
(\$ \_\_\_\_\_) shall include the following:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3. TERMS OF PAYMENT.**

The Purchase Price of said property is to be paid with \$\_\_\_\_\_ initial earnest money to be paid upon execution of this Agreement, to apply to purchase price and to be held by Declarant's Agent, RE/MAX Commonwealth. The balance of the Purchase Price to be paid as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4. PROMPT APPLICATION FOR FINANCING.**

a. If Purchaser has elected to obtain financing, Purchasers' obligation to close on this contract shall be contingent on them obtaining a loan sufficient to purchase this property. Within five (5) days after the expiration of the cancellation period set forth in Section 1 above, Purchase shall apply for such financing and within ten (10) days after such application, Purchaser shall deliver to Declarant a letter from a recognized licensed lender stating that (1) the Purchasers have completed and submitted a loan application and paid the lender's fee for the appraisal fee and credit report; (2) that the lender has checked the credit of the Purchasers and that based on that credit report the Purchasers qualify for a loan necessary to purchase this property. Within thirty days after the date this contract becomes binding, Purchasers shall deliver to Declarant a commitment for a loan sufficient to purchase this property pursuant to the terms of this contract, which is not contingent upon an appraisal. The interest rate on said loan shall be the maximum permissible interest rate as authorized by a conventional lender for the type of loan set out above, at the time of closing, unless other specific financing is stated above. Although Declarant may, in its discretion, provide assistance for Purchaser in securing said loan, this offer of assistance shall not excuse Purchaser from doing everything in Purchaser's power to obtain said loan. In the event Purchaser is unable to obtain a commitment for such loan by virtue of a refusal on the part of the Mortgage Lender to approve his application for credit or eligibility reasons, other than as hereinafter set out in paragraph 4.b dealing with the conduct of Purchaser, this contract shall be null and void, and all cash paid hereunder by Purchaser to Declarant will be refunded to Purchaser, less expenses advanced by Declarant.

b. If, however, Purchaser commits any act or fails to do any act, the effect of which places Purchaser in a position where Purchaser does not qualify for such loan, this Agreement, at the option of Declarant, shall become null and void and in addition to all other remedies of Declarant, all cash paid hereunder by Purchaser to Declarant may be retained by Declarant as liquidated damages.

Alternatively, Declarant shall have the option to recover such other sums, if any, as may be necessary to place Declarant in the position Declarant was in prior to the date this Agreement was entered into, including the time value of the Purchase Price, the actual cost of installation and the cost of removing any extras contracted for, including optional equipment and property, and the cost of restoring the Unit to its original state but for the extras, together with any other damages as may be sustained by Declarant. Purchaser further agrees that after a commitment for such a loan has been obtained by Purchaser that Purchaser will not act or fail to act in any manner that will result in a revocation of such commitment.

## **5. WARRANTY.**

The Declarant warrants the unit against structural defects for two years from the date of conveyance and all of the Common Elements for two years from the sale of the first Unit within the condominium or the completion of the Common Elements, whichever date is later in time, all as set forth in Section 55-79.79(b) of the Code of Virginia, as amended. In addition, the Declarant warrants that the unit is fit for habitation and constructed in a workmanlike manner so as to pass without objection in the trade. Nothing contained in the warranty provided by the Declarant shall limit the protection afforded by the statutory warranty. The Declarant shall not be responsible for maintenance or upkeep of the unit or common elements. The Declarant gives no warranty with respect to consumer products sold with the Unit except as required by the statutory warranty.

## **6. ASSESSMENT DISCLOSURE.**

A capital contribution equal to 2 months of assessments shall be payable to the Unit Owners Association (Association) at closing by the Purchaser. This assessment for the common expenses is specified in the Public Offering Statement and shall be payable to the Association.

## **7. TITLE TO BE CONVEYED.**

Declarant will convey the Unit by General Warranty Deed with English Covenants of Title free and clear of liens and encumbrances, subject to: (a) the provisions of the Declaration, Bylaws, Plats and Plans of the Condominium and such administrative rules and regulations adopted pursuant to the condominium instruments, as the same may be amended from time to time; (b) the requirements of the Virginia Condominium Act; (c) the covenants, conditions, easements and restrictions of record; and (d) such zoning or other restrictions upon the use of the property as may be imposed by governmental authorities having jurisdiction thereof.

## **8. FINAL SETTLEMENT AND CLOSING COSTS.**

a. This Transaction shall close on or before seven (7) days after Purchaser's Loan, if any, is approved, assuming the unit is complete and ready for occupancy. If loan settlement has not occurred within 10 days from the date of issuance of an occupancy permit, the Declarant may, at its sole option, void this agreement by notifying purchaser in writing.

b. The closing will be at the office of Declarant's counsel, or such other place as agreed by the parties hereto.

c. The following expenses will be prorated as of the Closing Date: (1) real estate taxes (2) utilities charges, if any; (3) condominium dues, common expense assessments and limited common expense assessments for the month of closing; (4) rents; and (5) interest, if any.

d. Purchaser shall pay the following costs:

- (i) any prepaid charges, including, but not, limited to, prorated interest, escrows for taxes and insurance, premiums for mortgage insurance, mortgagee and title insurance; \
- (ii) credit check;
- (iii) owners title insurance, if desired;
- (iv) any closing costs not hereinafter agreed to be paid by Declarant and any attorney's fee for an attorney retained by Purchaser.

e. In addition, Purchaser shall pay at closing an initial capitalization cost for the Unit Owner's Association in the amount of 2 months association dues, which shall be collected by Declarant and forwarded to the Unit Owner's Association.

f. Declarant shall pay:

- (i) the cost of Deed preparation;
- (ii) the grantor's recordation tax;
- (iii) Declarant's attorney fee;
- (iv) Declarant shall pay \$\_\_\_\_\_ in points, pre-pays an/or closing costs on behalf of the Purchaser at settlement, provided Purchaser uses Declarant's choice of lending institution and settlement agent. Payment of points, pre-pays and/or closings costs by Declarant is contingent upon Purchaser's use of Declarant's preferred lending institution and attorney. Use of any other lending institution and/or settlement agent by Purchaser will cause Purchaser to forfeit payment of points, pre-pays and/or closings costs by Declarant.

## 9. DEFAULT.

a. If Declarant shall default in the performance of this Agreement, then Purchaser, at his option, after sixty (60) days' written notice to Declarant and an opportunity for Declarant to cure such default within such period, may elect to void this Agreement and all sums paid by Purchaser hereunder shall be returned to Purchaser upon demand as liquidated damages. Failure by Purchaser to so elect in writing and to deliver such election to Declarant or the curing by Declarant of such default within such period shall constitute a waiver of Declarant's default.

b. If Purchaser defaults in the performance of this Agreement, then Declarant may: (1) terminate this Agreement, in which event (i) the amount of damages suffered by Declarant because of such default shall be liquidated and shall include all deposits and interest thereon paid by Purchaser, in which event, (ii) Declarant shall give or mail to Purchaser a statement of Declarant's election to terminate this Agreement, describing Purchaser's default, and (iii) Declarant shall then be entitled to withdraw and retain all deposits paid by Purchaser held in escrow as described herein; (2) enforce this Agreement by specific performance; or (3) have any and all other remedies available at law or in

equity. Specifically, failure of Purchaser to close on the Closing Date, except for default by Declarant or delay caused by a third party through no fault of Purchaser, shall constitute a default by Purchaser. In its sole discretion, Declarant may defer action on other available remedies, without waiving same, and allow Purchaser to close later than the Closing Date if Purchaser pays the sum of one hundred dollars (\$100) on a per diem basis. In addition to any other sums due from Purchaser to Declarant pursuant hereto in the event of default, Purchaser shall also pay to Declarant all costs incurred by Declarant, including reasonable attorney's fees, in the enforcement of this agreement by court action or non-court actions.

#### **10. NON-ASSIGNABILITY BY PURCHASER; NON-RECORDABILITY, NON-ADVERTISING AND SUBORDINATION.**

This Agreement cannot be assigned or advertised for sale or recorded by Purchaser without approval of Declarant in writing and any such assignment or advertisement or recordation shall constitute a default by Purchaser. It is agreed that Purchaser's rights hereunder are and shall be inferior and subordinate to the lien of any deed of trust heretofore or hereafter placed on the Condominium and/or Unit by Declarant, and to any easements or agreements, recorded or which may be recorded by Declarant, which are reasonably necessary to develop the Condominium. This Agreement may be assigned by Declarant to any party and it shall remain binding on Purchaser and enforceable by the assignee.

#### **11. DECLARATION.**

Purchaser agrees to be bound by the Declaration relating to the Condominium (the "Declaration") recorded in the Clerk's office of the Circuit Court of the City of Richmond, Virginia, and by all amendments or additions thereto that are of record, as well as restrictions shown on the plats and plans describing the Condominium, and further, to perform all the obligations imposed upon Purchaser by virtue of any and all covenants, conditions and restrictions.

#### **12. POSSESSION.**

Purchaser shall be entitled to the possession of the Unit at closing.

#### **13. CHANGES OR AMENDMENTS.**

Changes or amendments, including a change in the legal description of the Condominium, may be made from time to time in the Condominium Instruments that do not materially affect the rights of Purchaser or the value of the Unit, without the approval of Purchaser. Such changes or amendments that do not materially affect the rights and liabilities of the parties under this Agreement shall not be a cause or reason for termination or rescission of this Agreement by any party. Changes or amendments may be made in the Condominium Instruments, from time to time, if required by any governmental authority or deemed necessary by Declarant. If a change materially affects the rights of Purchaser or the value of the Unit, Declarant shall notify the Purchaser in writing of said change or amendment and Purchaser shall have ten (10) days from the date of said notice within which to notify Declarant in writing that Purchaser does not approve of the change. In that event, Purchaser may cancel this Agreement and shall receive a refund of the deposit paid hereunder. Failure of Purchaser

to object to changes within the time specified shall be deemed an approval thereof by Purchaser.

#### **14. INSPECTION.**

Prior to the closing of the transaction, it shall be the duty of Purchaser to inspect the Unit and the appurtenances in the presence of Declarant's and to present to Declarant at that time a written list of any defects in workmanship and material, which list is to be signed by Purchaser and Declarant. As to those items set forth in such list that are truly defects in workmanship and material, keeping in mind the standards of construction prevalent in Richmond, Virginia relative to the type and price of construction involved in this development, Declarant shall be obligated to correct the same at its cost within a reasonable period of time. Declarant's obligation to correct shall neither be a ground for deferring closing, nor the imposition of any condition upon closing. Failure of Purchaser to make inspection when requested shall not delay the closing and shall be deemed a waiver of Purchaser's right to inspection and request correction of deficiencies. This clause shall survive the closing contemplated herein and delivery of the deed to Purchaser.

#### **15. NOTICE.**

The delivery of any item and the giving of notice in furtherance of any part of this Agreement shall be accomplished by hand-delivery of a written item or written notice to the party intended to receive it, or by mailing same within the continental United States by first class, certified mail, return receipt requested and addressed to the party to be notified, at the addresses set forth under each party's name under their respective signature lines.

#### **16. COMMISSION.**

If Purchaser and Declarant acknowledge that any Listing Agency, and/or any Selling Agency were the sole procuring cause of this Agreement then Declarant agrees to pay Listing Agency and Selling Agency a brokerage commission for their services at the rate of 5% of the sales price of the property herein conveyed, as follows: 2.5% to Listing Agency and 2.5% to Selling Agency.

The commission shall be paid at closing from the sales proceeds due Declarant. In the event Purchaser should default, in addition to all other sums or damages due from Purchaser hereunder, Purchaser shall be responsible for the commission due agents, and all costs incurred by said agents in the enforcement of this Agreement, including a reasonable attorney's fee. Declarant shall not be obligated in any event, for the payment of a commission to either agent, same being only due from Declarant in the event of closing under this Agreement, and disbursement of Declarant's proceeds.

#### **17. MISCELLANEOUS.**

a. Purchaser acknowledges that Purchaser acquires no right, title, interest or lien rights in the Condominium or Unit prior to the conveyance of title to the Unit and Purchaser agrees not to file a Lis Pendens or claim of lien concerning any dispute with Declarant relative to the subject matter of this Agreement.

b. Purchaser represents and warrants that he is purchasing the Unit hereunder for his personal

residence, that he intends to occupy the Unit as his personal residence and he acknowledges and accepts the restrictions on leasing and use of the Unit set forth in the Public Offering Statement and the Declaration of Condominium.

c. The risk of loss to the Unit prior to closing shall remain with Declarant. If a casualty occurs to the Condominium or Unit prior to closing, Declarant may, at Declarant's option, cancel this Agreement and return the deposit, without interest, or rebuild as soon as possible, in which event this Agreement shall be in full force and effect, and the closing shall be postponed for the rebuilding period. Under no circumstances shall Purchaser have any interest in any insurance proceeds attributable to said casualty.

d. TIME IS OF THE ESSENCE AS TO PURCHASER'S PERFORMANCE UNDER ALL THE TERMS HEREOF, EXCEPT WHERE OTHERWISE SPECIFICALLY PROVIDED.

e. Purchaser agrees that he shall not restrict, interrupt, harass, or in any manner interfere with either the improvement or sale of the Units of the Condominium. Doing so shall constitute a breach of this Agreement by Purchaser, and a failure to perform, and Declarant shall be entitled to the remedies set forth herein in the event of a default. This clause shall survive closing of the Unit. Purchaser shall not have access to the Unit prior to recordation of Deed and receipt of payment by Declarant.

f. It is agreed that this Agreement, together with all attachments, constitutes the entire agreement between the parties hereto, and that there are no other contemporaneous agreements, written or oral. It is further agreed that this Agreement may not be supplemented, altered, modified or otherwise amended in any way except in writing, signing by all parties, in the same manner as this Agreement.

g. The provisions of this Agreement shall be interpreted and governed in accordance with the laws of the state of Virginia. In the event suit should be instituted pursuant to this Agreement, Purchaser hereby waives trial by jury. Declarant and Purchaser agree that, in the event legal proceeding are required to enforce the terms of this Agreement, the prevailing party shall be entitled to reimbursement of reasonable legal and court costs by the other party.

h. At closing, Declarant shall provide Purchaser with a statement from a licensed pest inspector, showing the absence of termites and structural damage in the Unit. The cost of inspection and any necessary treatment or repairs shall be Declarant's expense.

i. Whenever used herein, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include the other gender. The captions and paragraph headings contained herein are for convenience only and shall not be used in construing or enforcing any portion of this Agreement.

#### **18. DECLARANT RESERVES THE RIGHT TO MAKE MODIFICATIONS TO UNIT.**

If the Unit contracted for herein is not complete at the time this Agreement is executed, then Declarant reserves the right to make any changes or substitutions, without notification to, or approval of Purchaser, as Declarant deems necessary or desirable in the plans and specification, construction, materials, fixtures and other integral elements of the Unit which are of substantially equal quality and

utility, or better, and which meet the approval of the lender, the VA or FHA as appropriate, and the appropriate local governmental authorities having jurisdiction, to assure continuity of construction and delivery of completed Units. Consultation with Purchaser with respect to the specifications of the Unit to be built shall not in any case be deemed a waiver of Declarant's rights to make any such changes as are herein provided.

## **19. OPTIONS.**

In the event Purchaser advances funds as requested by Declarant for the installation of certain options or for the modification of any element of the Unit, and the contract of sale is subsequently canceled by mutual agreement of all parties, and the options have been ordered or installed or the modifications made, Purchaser is aware that these funds will not be returned until such time as the dwelling is resold and the options are added to the then current sales price for the new Purchaser. In the event these funds cannot be recovered from the new Purchaser, then Purchaser agrees that said funds would be retained by Declarant with no further obligation on the part of the Declarant and no right to legal action on the part of Purchaser. In the event of default by Purchaser, the terms of the default portion of this contract of sale shall apply and take precedence over this paragraph.

## **20. Mechanics' and Materialmen's Liens.**

### **NOTICE**

Virginia law (Va. Code § 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.

**21. Virginia Condominium Act.** Pursuant to § 55-79.97 of the Virginia Code, Seller represents that the Property is a condominium unit. This Contract is subject to the Virginia Condominium Act that requires Seller to furnish Purchaser with certain financial and other disclosures prior to entering into a binding contract. If the required disclosures are unavailable on the date of ratification, Seller shall promptly request them from the unit condominium owners' association and provide them to Purchaser who shall acknowledge receipt in writing upon delivery. If Purchaser fails to receive the disclosures within 15 days after the date of ratification of this Contract or the disclosures are found unacceptable to Purchaser, Purchaser may void this Contract by delivering notice to the Broker within three days after the disclosures are received or due (if not received) and Purchaser's Deposit shall be returned promptly.

If more than 60 days have lapsed between the date of ratification of this Contract and the Settlement Date, Purchaser may submit a copy of the Contract to the unit owners' condominium association with a request for assurance from the unit owners' condominium association that there have been no material changes from the previously furnished information from the unit owners' condominium association.

Purchaser may declare this Contract void within three days after either receipt of the required disclosures or of notice that there are material changes, or the failure of the condominium unit owners' association to provide assurances (within 10 days after receipt of Purchaser's request) that there have been no material changes.

**22. Lead-Based Paint Disclosure.** The certification, required pursuant to the Lead-Based Paint Hazard Reduction Act of 1992, signed by Seller, Purchaser and applicable agents is \_\_\_\_\_ is not \_\_\_\_\_ attached hereto. All improvements on the Property were \_\_\_\_\_ were not \_\_\_\_\_ constructed after January 1, 1978.

**23. ACKNOWLEDGMENTS.**

Purchaser acknowledges that he has read and understands each and every part of this Agreement. Execution of this agreement by Purchaser alone shall only constitute an offer to purchase. Upon execution by an authorized officer or agent of Declarant and delivery of a fully executed copy hereof to Purchaser, this document shall become binding upon the parties hereto, their heirs, successors and assigns, subject, however, to Purchaser's rights under paragraph 1 hereof and may be altered, amended or changed only by an instrument in writing signed by the parties hereto. This offer shall be in effect until \_\_\_\_\_ on \_\_\_\_\_, 2009. If the Declarant has not accepted the offer by that time, the offer will become void.

**WITNESS** the following signatures:

**DECLARANT:**

Windsor Court, LLC  
3710 Glades End Lane  
Richmond, VA 23233

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

**PURCHASER(S):**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date

**LISTING AGENT:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date

**SELLING AGENT:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Brokerage

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Brokerage

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City, State, Zip

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Date