

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

| | | |
|-----------------|---|----------------------|
| In Re: | : | |
| | : | |
| JOSEPH F. HEATH | : | CASE NO 16-13486-RGM |
| | : | Chapter 11 |
| | : | |
| Debtor | : | |
| | : | |

MOTION TO SELL PROPERTY FREE AND CLEAR OF LIENS

COMES NOW JOSEPH F. HEATH, the debtor, and pursuant to 11 U.S.C. 363(f) moves for the entry of an Order authorizing the sale free and clear of liens the property described as

Hollin Glenn Subdivision, Lot 45, Tax Map ID #93-3-24-45, as found at Deed Book 10067, Page 152, in the Land Records of Fairfax County, Virginia

and otherwise known as 1905 Joliette Court, Alexandria, Virginia 22307:

1. The debtor proposes selling the property to Kenneth and Michelle Mitchell for \$601,000.00, pursuant to a contract dated November 5, 2016, which is attached as an Exhibit.

2. The application of the realtor, Maria Castiganio of Keller and Williams, for employment in this case is in process and will be filed shortly. Her Listing Agreement specifying a 4% commission on this sale is attached as an Exhibit.

3. The property is encumbered by two liens: a deed of Trust with CitiBank with a balance of approximately \$370,800.00, and a tax lien in the amount of \$970,369.00 (See proof of Claim 3-1).

The total of all liens on the property exceed the property's value and the net proceeds which are expected to come from the proposed sale.

4. The debtor is a real estate investor and landlord with thirty properties titled in his name, including the subject of this motion. Many of these properties have significant equity and can be sold sequentially in order to pay down the IRS lien. However, the debtor needs some of the proceeds from this sale to fund payment of the mortgages on the other properties, and will ask the IRS to allow him to retain a small portion of the proceeds for that purpose.

5. Upon information and belief, the trust holders whose claims are impaired by the proposed sale either have or will consent to the sale.

6. The proposed sale is in the best interest of the estate, since it represents the greatest value to the estate and to the creditors which may be derived from the property, and also because the sale of this property will reduce the indebtedness owed to the IRS, blanket lien holder, and help to create equity in the other property securing their claims.

WHEREFORE the debtor prays that this court enter an order approving the sale of the property described above free and clear of all liens, allowing the costs of sale including the real estate commission be paid from the settlement, and that the claims of the lien holder shall attach to the net proceeds of the

sale in the order of their priority, and for such other relief as may be needed.

Joseph F. Heath
By counsel

/s/ Richard G. Hall
Richard G. Hall, Esquire
Counsel for the Debtor
4208 McWhorter Place, Suite 412
Annandale, Virginia 22003
(703)256-7159
VAB # 18076

CERTIFICATE OF SERVICE

I hereby certify that on November 11, 2016, a true copy of this Motion was mailed to all parties as listed on the attached service list, and to Dana J. Boente, at 2100 Jamieson Avenue, Alexandria, Virginia 22314, United States Attorney for the Eastern District of Virginia, the Commissioner of the Internal Revenue Service, John Koskinen at 1111 Constitution Avenue, N.W., Washington D.C. 20224, and to the United States Attorney General Loretta Lynch, at 950 Pennsylvania Avenue, N.W., Washington D.C. 20530.

/s/Richard G. Hall

RESIDENTIAL SALES CONTRACT (Virginia)

This sales contract ("Contract") is offered on 11/05/2016 ("Date of Offer") between Kenneth and Michelle Mitchell ("Buyer") and Joseph F Heath ("Seller") who, among other things, hereby confirm and acknowledge by their initials and signatures herein that by prior disclosure in this real estate transaction Keller Williams Realty ("Listing Brokerage") represents Seller, and Keller Williams Capital Properties ("Cooperating Brokerage") represents ☒ Buyer **OR** ☐ Seller. The Listing Brokerage and Cooperating Brokerage are collectively referred to as "Broker." (If the brokerage firm is acting as a dual representative for both Seller and Buyer, then the appropriate disclosure form is attached to and made a part of this Contract.) In consideration of the mutual promises and covenants set forth below, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. REAL PROPERTY** Buyer will buy and Seller will sell for the sales price ("Sales Price"), Seller's entire interest in the real property (with all improvements, rights and appurtenances) described as follows ("Property"):

TAX Map/ID # 93-3-24-45 Legal Description: Lot(s) Hollin Glen Lt 45
Section _____ Subdivision or Condominium Hollin Glen
Parking Space(s) # _____ County/Municipality Fairfax
Deed Book/Liber # 10067 Page/Folio # 152
Street Address 1905 JOLIETTE CT
Unit # _____ City Alexandria Zip Code 22307

- 2. PRICE AND SPECIFIED FINANCING** Any % are percentages of Sales Price

A. Down Payment \$ _____ or % 5

B. Financing

1. First Trust (if applicable) \$ _____ or % 95

2. Second Trust (if applicable) \$ _____ or % 0

3. Seller Held Trust \$ _____ or % 0

Addendum attached (if applicable)

TOTAL FINANCING \$ _____ or % 95

SALES PRICE \$580,000 — 601,000

- C. First Deed of Trust** Buyer will ☒ Obtain **OR** ☐ Assume a ☒ Fixed **OR** an ☐

Adjustable rate First Deed of Trust loan amortized over 30 years. The interest rate for this loan is at an (initial) interest rate not to exceed 4 % per year of the following type:

- ☒ **Conventional** See Addendum Attached ☐ **VA** See Addendum Attached
☐ **FHA** See Addendum Attached ☐ **Other:** _____
☐ **This contract is not contingent on Financing.**

- D. Second Deed of Trust** Buyer will ☐ Obtain **OR** ☐ Assume a ☐ Fixed **OR** an ☐

Adjustable rate Second Deed of Trust loan amortized over _____ years. The interest rate for this loan is at an (initial) interest rate not to exceed _____ % per year.

JH

KM

MM

JH
11/07/16
3:23PM EST

KM
11/07/16
3:23PM EST

MM
11/08/16
8:59PM EST

E. Assumption Only Assumption fee, if any, and all charges related to the assumption will be paid by the Buyer. If Buyer assumes Seller's loan(s): (i) Buyer and Seller ☐ will **OR** ☐ will not obtain a release of Seller's liability to the U.S. Government for the repayment of the loan by Settlement, (ii) Buyer and Seller ☐ will **OR** ☐ will not obtain substitution of Seller's VA entitlement by Settlement. Balances of any assumed loans, secondary financing and cash down payments are approximate.

- 3. DEPOSIT** Buyer's deposit ("Deposit") in the amount of ☐ \$ 4,500 check and/or ☐ \$ _____ by note due and payable on _____ shall be held by ATG Title _____ ("Escrow Agent"). Buyer ☐ has delivered to Escrow Agent **OR** ☒ will deliver the Deposit to Escrow Agent by 3 _____ days after Date of Ratification.

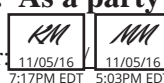
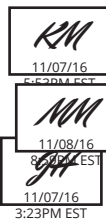
If the Escrow Agent is a Virginia Real Estate Board ("VREB") licensee, the parties direct the Escrow Agent to place the Deposit in an escrow account by the end of the fifth business banking day following receipt or following the Date of Ratification whichever is later. If the Escrow Agent is not a VREB licensee, Deposit will be placed in an escrow account of Escrow Agent after Date of Ratification in conformance with the laws and regulations of Virginia and/or, if VA financing applies, as required by Title 38 of the U.S. Code. This account may be interest bearing and all parties waive any claim to interest resulting from Deposit. Deposit will be held in escrow until: (i) credited toward the Sales Price at Settlement; (ii) all parties have agreed in writing as to its disposition; (iii) a court of competent jurisdiction orders disbursement and all appeal periods have expired; or, (iv) disposed of in any other manner authorized by law. Seller and Buyer agree that Escrow Agent will have no liability to any party on account of disbursement of Deposit or on account of failure to disburse Deposit, except in the event of Escrow Agent's gross negligence or willful misconduct.

- 4. SETTLEMENT** Seller and Buyer will make full settlement in accordance with the terms of this Contract ("Settlement") on, or with mutual consent before, 11/30/2016 — 12/05/2016 ("Settlement Date") except as otherwise provided in this Contract.

NOTICE TO BUYER REGARDING THE REAL ESTATE SETTLEMENT AGENTS ACT ("RESAA") 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.

Variation by agreement: The provisions of the Real Estate Settlement Agents Act may not be varied by agreement, and rights conferred by this chapter may not be waived. The Seller may not require the use of a particular settlement agent as a condition of the sale of the property.

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 Real Estate Settlement Agents Act.

Buyer designates ATG Title Annandale ("Settlement Agent"). Buyer agrees to contact Settlement Agent within 10 Days of Date of Ratification to schedule Settlement. Settlement Agent shall order the title exam and survey if required.

To facilitate Settlement Agent's preparation of various closing documents, including any Closing Disclosure, Buyer hereby authorizes Settlement Agent to send such Closing Disclosure to Buyer by electronic means and agrees to provide Settlement Agent Buyer's electronic mail address for that purpose only.

5. **DOWN PAYMENT** The balance of the down payment will be paid on or before Settlement Date by certified or cashier's check or by bank-wired funds as required by Settlement Agent. An assignment of funds shall not be used without prior written consent of Seller.
6. **DELIVERY** This paragraph specifies the general delivery requirements under this Contract. For delivery of property or condominium owner's association documents see the VIRGINIA PROPERTY OWNERS' ASSOCIATION ACT and/or VIRGINIA CONDOMINIUM ACT paragraphs of this Contract. Delivery of the Notice pursuant to the Virginia Residential Property Disclosure Act is addressed in the VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT paragraph.

Delivery ("Delivery", "delivery", or "delivered") methods may include hand-carried, sent by professional courier service, by United States mail, by facsimile, or email transmission. The parties agree that Delivery will be deemed to have occurred on the day: delivered by hand, delivered by a professional courier service (including overnight delivery service) or by United States mail with return receipt requested, or sent by facsimile or email transmission, either of which produces a tangible record of the transmission.

Deliveries will be sent as follows:

A. Addressed to Seller **at Property address unless otherwise specified below** by ☐ United States mail, hand delivery or courier service **OR** ☐ fax **OR** ☐ email (check all that apply):
To Seller: _____

B. Addressed to Buyer by ☐ United States mail, hand delivery or courier service **OR** ☐ fax **OR** ☒ email (check all that apply):
To Buyer: jbwilson@kw.com N/A

No party to this Contract will refuse Delivery in order to delay or extend any deadline established in this Contract.

7. **VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT** The Virginia Residential Property Disclosure Act requires Seller to deliver a disclosure statement prior to the acceptance of this Contract unless the transfer of Property is exempt. The law requires Seller, on a disclosure statement provided by the Real Estate Board, to state that Seller makes no representations or warranties concerning the physical condition of the Property and to sell the Property "as is", except as otherwise provided in this Contract.

If the disclosure statement is delivered to Buyer after Date of Ratification, Buyer's sole remedy shall be to terminate this Contract at or prior to the earliest of (i) 3 days after delivery

of the disclosure statement in person; (ii) 5 days after the postmark if the disclosure statement is sent by United States mail, postage prepaid, and properly addressed to Buyer; (iii) settlement upon purchase of Property; (iv) occupancy of Property by Buyer; (v) Buyer making written application to a lender for a mortgage loan where such application contains a disclosure that the right of termination shall end upon the application for the mortgage loan; or (vi) the execution by Buyer after receiving the disclosure statement of a written waiver of Buyer's right of termination separate from this Contract.

Written Notice of termination may be (i) hand delivered; (ii) sent by United States mail, postage prepaid, provided that Buyer retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service confirming that such mailing was prepared by Buyer; (iii) sent by electronic means to the facsimile number or electronic mailing address provided by Seller in the DELIVERY paragraph, provided that Buyer retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service; (iv) overnight delivery using a commercial service or the United States Postal Service.

Any such termination shall be without penalty to Buyer, and any deposit shall be promptly returned to Buyer.

8. **VIRGINIA PROPERTY OWNERS' ASSOCIATION ACT** Seller represents that the Property ☐ is **OR** ☒ is not located within a development that is subject to the Virginia Property Owners' Association Act ("POA Act" or "Act" solely in this Paragraph). Section 55-509.4(A) requires the following contract language:

Subject to the provisions of subsection A of § 55-509.10, a person selling a lot shall disclose in the contract that (i) the lot is located within a development that is subject to the Virginia Property Owners' Association Act (§ 55-508 et seq.); (ii) the Act requires the seller to obtain from the property owners' association an association disclosure packet and provide it to the purchaser; (iii) the purchaser may cancel the contract within three days after receiving the association disclosure packet or being notified that the association disclosure packet will not be available; (iv) if the purchaser has received the association disclosure packet, the purchaser has a right to request an update of such disclosure packet in accordance with subsection H of § 55-509.6 or subsection C of § 55-509.7, as appropriate; and (v) the right to receive the association disclosure packet and the right to cancel the contract are waived conclusively if not exercised before settlement.

For delivery of the Packet or the Notice of non-availability of the Packet, Buyer prefers delivery at _____ if electronic or _____ if hard copy.

The Act further provides that for purposes of clause (iii), the association disclosure packet shall be deemed not to be available if (a) a current annual report has not been filed by the association with either the State Corporation Commission pursuant to § 13.1-936 or with the Common Interest Community Board pursuant to § 55-516.1, (b) the seller has made a written request to the association that the packet be provided and no such packet has been received within 14 days in accordance with subsection A of § 55-509.5, or (c) written notice has been provided by the association that a packet is not available.

The Act further provides that if the contract does not contain the disclosure required by subsection A of § 55-509.4, the purchaser's sole remedy is to cancel the contract prior to settlement.

The Act further provides that the information contained in the association disclosure packet shall be current as of a date specified on the association disclosure packet prepared in accordance with this section; however, a disclosure packet update or financial update may be requested in accordance with subsection G of § 55-509.6 or subsection C of § 55-509.7, as appropriate. The purchaser may cancel the contract: (i) within three days after the date of the contract, if on or before the date that the purchaser signs the contract, the purchaser receives the association disclosure packet or is notified that the association disclosure packet will not be available; (ii) within three days after receiving the association disclosure packet if the association disclosure packet or notice that the association disclosure packet will not be available is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United Parcel Service, and a receipt obtained; or (iii) within six days after the postmark date if the association disclosure packet or notice that the association disclosure packet will not be available is sent to the purchaser by United States mail. The purchaser may also cancel the contract at any time prior to settlement if the purchaser has not been notified that the association disclosure packet will not be available and the association disclosure packet is not delivered to the purchaser. Notice of cancellation shall be provided to the lot owner or his agent by one of the following methods: (a) Hand delivery; (b) United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service prepared by the sender confirming such mailing; (c) Electronic means provided the sender retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery; or (d) Overnight delivery using a commercial service or the United States Postal Service.

The Act further provides that in the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of cancellation. Such cancellation shall be without penalty, and the seller shall cause any deposit to be returned promptly to the purchaser.

The Act further provides that whenever any contract is canceled based on a failure to comply with subsection A or C of § 55-509.4 or pursuant to subsection B of § 55-509.4, any deposit or escrowed funds shall be returned within 30 days of the cancellation, unless the parties to the contract specify in writing a shorter period.

The parties specify that such funds shall immediately be returned pursuant to the VOID CONTRACT paragraph of this Contract.

The Act further provides that any rights of the purchaser to cancel the contract provided by this chapter are waived conclusively if not exercised prior to settlement.

The Act further provides that except as expressly provided in this chapter [of the Act], the provisions of this section and § 55-509.5 may not be varied by agreement, and the rights conferred by this section and § 55-509.5 may not be waived.

9. **VIRGINIA CONDOMINIUM ACT** Seller represents that the Property ☐ is **OR** ☒ is not a condominium unit. The Virginia Condominium Act (the "Condominium Act" or "Act" solely in this Paragraph), requires the following contract language:

In the event of any resale of a condominium unit by a unit owner other than the declarant, and subject to the provisions of subsection F and § 55-79.87 A, the unit owner shall disclose in the contract that (i) the unit is located within a development which is subject to the Condominium Act. (ii) the Act requires

the seller to obtain from the unit owners' association a resale certificate and provide it to the purchaser, (iii) the purchaser may cancel the contract within three days after receiving the resale certificate or being notified that the resale certificate will not be available, (iv) if the purchaser has received the resale certificate, the purchaser has a right to request a resale certificate update or financial update in accordance with § 55-79.97:1, as appropriate, and (v) the right to receive the resale certificate and the right to cancel the contract are waived conclusively if not exercised before settlement.

For delivery of the Certificate, Buyer prefers delivery at _____
 _____ if electronic or _____
 _____ if hard copy.

The Act further provides that for purposes of clause (iii), the resale certificate shall be deemed not to be available if (a) a current annual report has not been filed by the unit owners' association with either the State Corporation Commission pursuant to § 13.1-936 or the Common Interest Community Board pursuant to § 55-79.93:1, (b) the seller has made a written request to the unit owners' association that the resale certificate be provided and no such resale certificate has been received within 14 days in accordance with subsection C, or (c) written notice has been provided by the unit owners' association that a resale certificate is not available.

The Act further provides that if the contract does not contain the disclosure required by subsection A of § 55-79.97, the purchaser's sole remedy is to cancel the contract prior to settlement.

The Act further provides that the information contained in the resale certificate shall be current as of a date specified on the resale certificate. A resale certificate update or a financial update may be requested as provided in § 55-79.97:1, as appropriate.

The Act further provides that the purchaser may cancel the contract (i) within three days after the date of the contract, if the purchaser receives the resale certificate or is notified that the resale certificate will not be available on or before the date that the purchaser signs the contract; (ii) within three days after receiving the resale certificate or notice that the resale certificate will not be available if the resale certificate is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United Postal Service, and a receipt obtained; or (iii) within six days after the postmark date if the resale certificate or notice that the resale certificate will not be available is sent to the purchaser by United States mail. Notice of cancellation shall be provided to the unit owner or his agent by one of the following methods: (a) Hand delivery; (b) United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service prepared by the sender confirming such mailing; (c) Electronic means provided the sender retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery; or (d) Overnight delivery using a commercial service or the United States Postal Service.

The Act further provides that in the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of cancellation. Such cancellation shall be without penalty, and the unit owner shall cause any deposit to be returned promptly to the purchaser. The Act further provides that failure to receive a resale certificate shall not excuse any failure to comply with the provisions of the condominium instruments, articles of incorporation, or

rules or regulations.

10. PROPERTY MAINTENANCE AND CONDITION Except as otherwise specified herein, Seller will deliver the Property free and clear of trash and debris, broom clean and in substantially the same physical condition to be determined as of ☐ Date of Offer **OR** ☒ Date of home inspection **OR** ☐ Other: _____. Seller will have all utilities in service through Settlement or as otherwise agreed. Buyer and Seller will not hold the Broker liable for any breach of this Paragraph.

Buyer acknowledges, subject to Seller acceptance, that this Contract may be contingent upon home inspection(s) and/or other inspections to ascertain the physical condition of the Property. If Buyer desires one or more inspection contingencies, such contingencies must be included in an addendum to this Contract.

☒ This Contract is contingent upon home inspection(s) and/or other inspections.
(Addendum attached)

OR

☐ Buyer declines the opportunity to make this Contract contingent upon home inspection(s) and/or other inspections.

Buyer acknowledges that except as otherwise specified in this Contract, the Property, including electrical, plumbing, existing appliances, heating, air conditioning, equipment and fixtures shall convey in its AS-IS condition as of the date specified above.

11. ACCESS TO PROPERTY Seller will provide Broker, Buyer, inspectors representing Buyer, and representatives of lending institutions for Appraisal purposes reasonable access to the Property to comply with this Contract. In addition, Buyer and/or Buyer's representative will have the right to make walk-through inspection(s) within seven (7) days prior to Settlement and/or occupancy, unless otherwise agreed to by Buyer and Seller.

12. UTILITIES WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING
(Check all that apply)

Water Supply: ☒ Public ☐ Private Well ☐ Community Well
Sewage Disposal: ☒ Public ☐ Septic for # BR _____ ☐ Community Septic ☐ Alternative Septic for # BR _____
Hot Water: ☐ Oil ☒ Gas ☐ Elec. ☐ Other _____
Air Conditioning: ☐ Oil ☐ Gas ☒ Elec. ☐ Heat Pump ☐ Other _____ ☐ Zones _____
Heating: ☐ Oil ☒ Gas ☐ Elec. ☐ Heat Pump ☐ Other _____ ☐ Zones _____

13. PERSONAL PROPERTY AND FIXTURES The Property includes the following personal property and fixtures, if existing: built-in heating and central air conditioning equipment, plumbing and lighting fixtures, sump pump, attic and exhaust fans, storm windows, storm doors, screens, installed wall-to-wall carpeting, window shades, blinds, window treatment hardware, smoke and heat detectors, TV antennas, exterior trees and shrubs. Unless otherwise agreed to in writing, all surface or wall mounted electronic components/devices **DO NOT** convey. If more than one of an item convey, the number of items is noted.
The items marked YES below are currently installed or offered.

| Yes | No | # | Items |
|-------------------------------------|-------------------------------------|---|--------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | | Alarm System |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Built-in Microwave |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Ceiling Fan |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | | Central Vacuum |

| Yes | No | # | Items |
|-------------------------------------|-------------------------------------|---|--------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | | Freezer |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Furnace Humidifier |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | | Garage Opener |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | | w/ remote |

| Yes | No | # | Items |
|-------------------------------------|-------------------------------------|---|-----------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | | Satellite Dish |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Storage Shed |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Stove or Range |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | | Trash Compactor |

| | | |
|--|---|---|
| <input checked="" type="checkbox"/> <input type="checkbox"/> Clothes Dryer | <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Log | <input type="checkbox"/> <input checked="" type="checkbox"/> Wall Oven |
| <input checked="" type="checkbox"/> <input type="checkbox"/> Clothes Washer | <input type="checkbox"/> <input checked="" type="checkbox"/> Hot Tub, Equip & Cover | <input type="checkbox"/> <input checked="" type="checkbox"/> Water Treatment System |
| <input type="checkbox"/> <input checked="" type="checkbox"/> Cooktop | <input type="checkbox"/> <input checked="" type="checkbox"/> Intercom | <input type="checkbox"/> <input checked="" type="checkbox"/> Window A/C Unit |
| <input checked="" type="checkbox"/> <input type="checkbox"/> Dishwasher | <input checked="" type="checkbox"/> <input type="checkbox"/> Playground Equipment | <input type="checkbox"/> <input checked="" type="checkbox"/> Window Fan |
| <input checked="" type="checkbox"/> <input type="checkbox"/> Disposer | <input type="checkbox"/> <input checked="" type="checkbox"/> Pool, Equip, & Cover | <input checked="" type="checkbox"/> <input type="checkbox"/> Window Treatments |
| <input type="checkbox"/> <input checked="" type="checkbox"/> Electronic Air Filter | <input checked="" type="checkbox"/> <input type="checkbox"/> Refrigerator | <input type="checkbox"/> <input checked="" type="checkbox"/> Wood Stove |
| <input checked="" type="checkbox"/> <input type="checkbox"/> Fireplace Screen/Door | <input checked="" type="checkbox"/> <input type="checkbox"/> w/ ice maker | |

OTHER _____

FUEL TANKS ☐ Fuel Tank(s) Leased # _____ ☐ Fuel Tank(s) Owned (Fuel Tank(s), if owned, convey) # _____. Unless otherwise agreed to in writing, any heating or cooking fuels remaining in supply tank(s) at Settlement will become the property of Buyer. _____

LEASED ITEMS Any leased items, systems or service contracts (including, but not limited to, fuel tanks, water treatment systems, lawn contracts, security system monitoring, and satellite contracts) **DO NOT** convey absent an express written agreement by Buyer and Seller. The following is a list of the leased items within the Property: _____

14. FIRPTA – WITHHOLDING TAXES FOR FOREIGN SELLER Seller is a US citizen or a Lawful Permanent Resident as defined by the Immigration and Nationality Act (Green Card Holder). ☒ Yes **OR** ☐ No. (If No, FIRPTA Addendum Attached)

15. FINANCING APPLICATION If this Contract is contingent on financing, Buyer will make written application for the Specified Financing and any lender required property insurance no later than seven (7) days after Date of Ratification. Buyer grants permission for Cooperating Brokerage and the lender to disclose to Listing Brokerage and Seller general information available about the progress of the loan application and loan approval process. If Buyer fails to settle, except due to any Default by Seller, then the provisions of the DEFAULT paragraph shall apply. Seller agrees to comply with reasonable lender requirements, except as otherwise provided in the LENDER REQUIRED REPAIRS paragraph of the applicable financing contingency addendum.

16. ALTERNATIVE FINANCING

Alternative Financing means any change to the financing terms provided in the PRICE AND SPECIFIED FINANCING paragraph, including but not limited to Down Payment amount, financing, including amount financed, loan type (i.e., Conventional, FHA, VA, or Other), term of any loan, interest rate, or loan program (i.e., assumption, fixed or adjustable rate).

Buyer may substitute Alternative Financing for the Specified Financing. If Buyer wishes to retain the protection of a financing contingency, Buyer shall execute a new financing addendum (if applicable) and obtain Seller's written consent. Should Buyer pursue Alternative Financing without Seller's written consent, Buyer shall waive the protection of any financing contingency.

Buyer may substitute an alternative lender for Specified Financing provided: (a) there is no additional expense to Seller; (b) Settlement Date is not delayed; and (c) if Buyer fails to settle, except due to any Default by Seller, then the provisions of the DEFAULT paragraph shall

apply.

- 17. BUYER'S REPRESENTATIONS** Buyer ☒ will OR ☐ will not occupy the Property as Buyer's principal residence. **Unless specified in a written contingency, neither this Contract nor the financing is dependent or contingent on the sale and settlement or lease of other real property.** The Cooperating Brokerage ☒ is OR ☐ is not authorized to disclose to Listing Brokerage, Seller, and any lender the appropriate financial or credit information provided to Cooperating Brokerage by Buyer. Buyer acknowledges that Seller is relying upon all of Buyer's representations, including without limitation, the accuracy of financial or credit information given to Seller, Broker, or the lender by Buyer.
- 18. SMOKE DETECTORS** Seller shall deliver the Property with smoke detectors installed and functioning in accordance with the laws and regulations of Virginia.
- 19. TARGET LEAD-BASED PAINT HOUSING** Seller represents that any residential dwellings at the Property ☒ were OR ☐ were not constructed before 1978. If the dwellings were constructed before 1978, then, unless exempt under 42 U.S.C. 4852d, the Property is considered "target housing" under the statute and a copy of the "Sale: Disclosure and Acknowledgment of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" has been attached and made a part of the Contract as required by law. Buyer ☒ does OR ☐ does not waive the right to a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards. If not, a copy of the Sales Contract Addendum for Lead-Based Paint Testing is attached to establish the conditions for a lead-based paint risk assessment or inspections.
- 20. WOOD-DESTROYING INSECT INSPECTION** ☒ Buyer at Buyer's expense OR ☐ Seller at Seller's expense will furnish a written report from a pest control firm dated not more than 90 days prior to Settlement showing that all dwelling(s) and/or garage(s) within the Property (excluding fences or shrubs not abutting garage(s) or dwelling(s)) are free of visible evidence of live wood-destroying insects, and free from visible damage. Any treatment and repairs for damage identified in the inspection report will be made at Seller's expense and Seller will provide written evidence of such treatment and/or repair prior to date of Settlement which shall satisfy the requirements of this Paragraph.
- 21. DAMAGE OR LOSS** The risk of damage or loss to the Property by fire, act of God, or other casualty remains with Seller until the execution and delivery of the deed of conveyance to Buyer at Settlement.
- 22. TITLE** The title report and survey, if required, will be ordered promptly and, if not available on the Settlement Date, then Settlement may be delayed for up to 10 business days to obtain the title report and survey after which this Contract, at the option of Seller, may be terminated and the Deposit will be refunded in full to Buyer according to the terms of the DEPOSIT paragraph. Fee simple title to the Property, and everything that conveys with it, will be sold free of liens except for any loans assumed by Buyer.

Seller will convey title which is good, marketable, and insurable by a licensed title insurance company with no additional risk premium. In case action is required to perfect the title, such action must be taken promptly by Seller at Seller's expense. Title may be subject to commonly acceptable easements, covenants, conditions and restrictions of record, if any, as of Settlement Date. If title is not good and marketable, and insurable by a licensed title insurance company with no additional risk premium, on Settlement Date, Buyer may at Buyer's option either (a) declare the Contract void in writing, or (b) pursue all available legal

and equitable remedies. Nothing herein shall prohibit the parties from mutually agreeing to extend Settlement Date under terms acceptable by both parties.

Seller will convey the Property by general warranty deed with English covenants of title ("Deed"). The manner of taking title may have significant legal and tax consequences. Buyer is advised to seek the appropriate professional advice concerning the manner of taking title.

Seller will sign such affidavits, lien waivers, tax certifications, and other documents as may be required by the lender, title insurance company, Settlement Agent, or government authority, and authorizes Settlement Agent to obtain pay-off or assumption information from any existing lenders. Unless otherwise agreed to in writing, Seller will pay any special assessments and will comply with all orders or notices of violations of any county or local authority, condominium unit owners' association, homeowners' or property owners' association or actions in any court on account thereof, against or affecting the Property on Settlement Date. The Broker is hereby expressly released from all liability for damages by reason of any defect in the title.

- 23. NOTICE OF POSSIBLE FILING OF MECHANICS' LIEN** Code of Virginia Section 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.
- 24. POSSESSION DATE** Unless otherwise agreed to in writing between Seller and Buyer, Seller will give possession of the Property at Settlement, including delivery of keys, if any. If Seller fails to do so and occupies the Property beyond Settlement, Seller will be a tenant at sufferance of Buyer and hereby expressly waives all notice to quit as provided by law. Buyer will have the right to proceed by any legal means available to obtain possession of the Property. Seller will pay any damages and costs incurred by Buyer including reasonable attorney fees.
- 25. FEES** Fees for the preparation of the Deed, that portion of Settlement Agent's fee billed to Seller, costs of releasing existing encumbrances, Seller's legal fees and any other proper charges assessed to Seller will be paid by Seller. Fees for the title exam (except as otherwise provided), survey, recording (including those for any purchase money trusts) and that portion of Settlement Agent's fee billed to Buyer, Buyer's legal fees and any other proper charges assessed to Buyer will be paid by Buyer. Fees to be charged will be reasonable and customary for the jurisdiction in which the Property is located. Grantor's tax and Regional Congestion Relief Fee (for Alexandria City, Arlington, Fairfax, Loudoun and Prince William Counties and all cities contained within) shall be paid by Seller. Buyer shall pay recording charges for the Deed and any purchase money trusts.
- 26. BROKER'S FEE** Seller irrevocably instructs Settlement Agent to pay Broker compensation ("Broker's Fee") at Settlement as set forth in the listing agreement and to disburse the

compensation offered by Listing Brokerage to Cooperating Brokerage in writing as of the Date of Offer, and the remaining amount of Broker's compensation to Listing Brokerage.

27. ADJUSTMENTS Rents, taxes, water and sewer charges, condominium unit owners' association, homeowners' and/or property owners' association regular periodic assessments (if any) and any other operating charges, are to be adjusted to the Date of Settlement. Taxes, general and special, are to be adjusted according to the most recent property tax bill(s) for the Property issued prior to Settlement Date, except that recorded assessments for improvements completed prior to Settlement, whether assessments have been levied or not, will be paid by Seller or allowance made at Settlement. If a loan is assumed, interest will be adjusted to the Settlement Date and Buyer will reimburse Seller for existing escrow accounts, if any.

28. ATTORNEY'S FEES

A. If any Party breaches this Contract and a non-breaching Party retains legal counsel to enforce its rights hereunder, the non-breaching Party shall be entitled to recover against the breaching Party, in addition to any other damages recoverable against any breaching Party, all of its reasonable Legal Expenses incurred in enforcing its rights under this Contract, whether or not suit is filed, and in obtaining, enforcing and/or defending any judgment related thereto. Should any tribunal of competent jurisdiction determine that more than one party to the dispute has breached this Contract, then all such breaching Parties shall bear their own costs, unless the tribunal determines that one or more parties is a "Substantially Prevailing Party", in which case any such Substantially Prevailing Party shall be entitled to recover from any of the breaching parties, in addition to any other damages recoverable against any breaching Party, all of its reasonable Legal Expenses incurred in enforcing its rights under this Agreement, whether or not suit is filed, and in obtaining, enforcing and/or defending any judgment related thereto.

B. In the event a dispute arises resulting in the Broker (as used in this paragraph to include any agent, licensee, or employee of the Broker) being made a party to any litigation by the Buyer or by the Seller, the Parties agree that the Party who brought the Broker into litigation shall indemnify the Broker for all of its reasonable Legal Expenses incurred, unless the litigation results in a judgment against the Broker.

29. PERFORMANCE Delivery of the required funds and executed documents to the Settlement Agent will constitute sufficient tender of performance. Funds from this transaction at Settlement may be used to pay off any existing liens and encumbrances, including interest, as required by lender(s) or lienholders.

30. DEFAULT If Buyer fails to complete Settlement for any reason other than Default by Seller, Buyer shall be in Default and, at the option of Seller, the Deposit may be forfeited to Seller as liquidated damages and not as a penalty. In such event, Buyer shall be relieved from further liability to Seller. If Seller does not elect to accept the Deposit as liquidated damages, the Deposit may not be the limit of Buyer's liability in the event of a Default. Buyer and Seller knowingly, freely and voluntarily waive any defense as to the validity of liquidated damages under this Contract, including Seller's option to elect liquidated damages or pursue actual damages, or that such liquidated damages are void as penalties or are not reasonably related to actual damages.

If the Deposit is forfeited, or if there is an award of damages by a court or a compromise agreement between Seller and Buyer, the Broker may accept, and Seller agrees to pay, the Broker one-half of the Deposit in lieu of Broker's Fee (provided Broker's share of any

forfeited Deposit will not exceed the amount due under the listing agreement).

If Seller fails to perform or comply with any of the terms and conditions of this Contract or fails to complete Settlement for any reason other than Default by Buyer, Seller shall be in Default and Buyer will have the right to pursue all legal or equitable remedies, including specific performance and/or damages.

If either Seller or Buyer refuses to execute a release of Deposit ("Release") when requested to do so in writing and a court finds that such party should have executed the Release, the party who so refused to execute the Release will pay the expenses, including, without limitation, reasonable attorney's fees, incurred by the other party in the litigation. Seller and Buyer agree that no Escrow Agent will have any liability to any party on account of disbursement of the Deposit or on account of failure to disburse the Deposit, except only in the event of Escrow Agent's gross negligence or willful misconduct. The parties further agree that Escrow Agent will not be liable for the failure of any depository in which the Deposit is placed and that Seller and Buyer each will indemnify, defend and save harmless Escrow Agent from any loss or expense arising out of the holding, disbursement or failure to disburse the Deposit, except in the case of the Escrow Agent's gross negligence or willful misconduct.

If either Buyer or Seller is in Default, then in addition to all other damages, the defaulting party will immediately pay the costs incurred for the title examination, Appraisal, survey and the Broker's Fee in full.

31. OTHER DISCLOSURES Buyer and Seller should carefully read this Contract to be sure that the terms accurately express their respective understanding as to their intentions and agreements. The Broker can counsel on real estate matters, but if legal advice is desired by either party, such party is advised to seek legal counsel. Buyer and Seller are further advised to seek appropriate professional advice concerning the condition of the Property or tax and insurance matters. The following provisions of this Paragraph disclose some matters which the parties may investigate further. These disclosures are not intended to create a contingency. Any contingency must be specified by adding appropriate terms to this Contract. The parties acknowledge the following disclosures:

A. Property Condition Various inspection services and home warranty insurance programs are available. The Broker is not advising the parties as to certain other issues, including without limitation: water quality and quantity (including but not limited to, lead and other contaminants); sewer or septic; soil condition; flood hazard areas; possible restrictions of the use of the Property due to restrictive covenants, zoning, subdivision, or environmental laws, easements or other documents; airport or aircraft noise; planned land use, roads or highways; and construction materials and/or hazardous materials, including but without limitation flame retardant treated plywood (FRT), radon, urea formaldehyde foam insulation (UFFI), mold, polybutylene pipes, synthetic stucco (EIFS), underground storage tanks, defective drywall, asbestos and lead-based paint. Information relating to these issues may be available from appropriate government authorities.

B. Legal Requirements All contracts for the sale of real property must be in writing to be enforceable. Upon ratification and Delivery, this Contract becomes a legally binding agreement. Any changes to this Contract must be made in writing for such changes to be enforceable.

- C. Financing** Mortgage rates and associated charges vary with financial institutions and the marketplace. Buyer has the opportunity to select the lender and the right to negotiate terms and conditions of the financing subject to the terms of this Contract. The financing may require substantial lump sum (balloon) payments on the due dates. Buyer has not relied upon any representations regarding the future availability of mortgage money or interest rates for the refinancing of any such lump sum payments.
- D. Broker** Buyer and Seller acknowledge that the Broker is being retained solely as a real estate agent and not as an attorney, tax advisor, lender, appraiser, surveyor, structural engineer, mold or air quality expert, home inspector, or other professional service provider. The Broker may from time to time engage in the general insurance, title insurance, mortgage loan, real estate settlement, home warranty and other real estate-related businesses and services. Therefore, in addition to the Broker's Fee specified herein, the Broker may receive compensation related to other services provided in the course of this transaction pursuant to the terms of a separate agreement/disclosure.
- E. Property Taxes** Your property tax bill could substantially increase following settlement. For more information on property taxes contact the appropriate taxing authority in the jurisdiction where the Property is located.
- F. Property Insurance** Obtaining property insurance is typically a requirement of the lender in order to secure financing. Insurance rates and availability are determined in part by the number and nature of claims and inquiries made on a property's policy as well as the number and nature of claims made by a prospective Buyer. Property insurance has become difficult to secure in some cases. Seller should consult an insurance professional regarding maintaining and/or terminating insurance coverage.
- G. Title Insurance** Buyer may, at Buyer's expense, purchase owner's title insurance. Depending on the particular circumstances of the transaction, such insurance could include affirmative coverage against possible mechanics' and materialmen's liens for labor and materials performed prior to Settlement and which, though not recorded at the time of recordation of Buyer's deed, could be subsequently recorded and would adversely affect Buyer's title to the Property. The coverage afforded by such title insurance would be governed by the terms and conditions thereof, and the premium for obtaining such title insurance coverage will be determined by its coverage.

Buyer may purchase title insurance at either "standard" or "enhanced" coverage and rates. For purposes of owner's policy premium rate disclosure by Buyer's lender(s), if any, Buyer and Seller require that enhanced rates be quoted by Buyer's lender(s). Buyer understands that nothing herein obligates Buyer to obtain any owner's title insurance coverage at any time, including at Settlement, and that the availability of enhanced coverage is subject to underwriting criteria of the title insurer.

32. ASSIGNABILITY This Contract may not be assigned without the written consent of Buyer and Seller. If Buyer and Seller agree in writing to an assignment of this Contract, the original parties to this Contract remain obligated hereunder until Settlement.

33. DEFINITIONS

- A. "Date of Ratification"** means the date of Delivery of the final acceptance in writing by Buyer and Seller of all the terms of this Contract to Buyer and Seller (not the date of the expiration or removal of any contingencies).
- B. "Appraisal"** means a written appraised valuation of the Property.

- C. "Day(s)" or "day(s)" means calendar day(s) unless otherwise specified in this Contract.
- D. All reference to time of day shall refer to the time of day in the Eastern Time Zone of the United States.
- E. For the purpose of computing time periods, the first Day will be the Day following Delivery and the time period will end at 9 p.m. on the Day specified. If the Settlement Date falls on a Saturday, Sunday, or legal holiday, then the Settlement will be on the prior business day.
- F. For "Delivery" see DELIVERY paragraph.
- G. For "Specified Financing" see PRICE AND SPECIFIED FINANCING paragraph.
- H. The masculine includes the feminine and the singular includes the plural.
- I. For "Possession Date" see POSSESSION DATE paragraph.
- J. "Legal Expenses" means attorney fees, court costs, and litigation expenses, if any, including, but not limited to, expert witness fees and court reporter fees.
- K. "Notices" ("Notice", "notice", or "notify") means a unilateral communication from one party to another. All Notices required under this Contract will be in writing and will be effective as of Delivery. Written acknowledgment of receipt of Notice is a courtesy but is not a requirement.
- L. "Buyer" and "Purchaser" may be used interchangeably in this Contract and any accompanying addenda or notices.

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

35. VOID CONTRACT If this Contract becomes void and of no further force and effect, without Default by either party, both parties will immediately execute a release directing that the Deposit be refunded in full to Buyer according to the terms of the DEPOSIT paragraph.

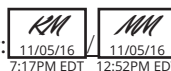
36. HOME WARRANTY ☐ Yes **OR** ☒ No

Home Warranty Policy selected by ☐ Buyer or ☐ Seller and paid for and provided at Settlement by: ☐ Buyer or ☐ Seller. Cost not to exceed \$_____. Warranty provider to be _____

37. TIME IS OF THE ESSENCE Time is of the essence means that the dates and time frames agreed to by the parties must be met. Failure to meet stated dates or time frames will result in waiver of contractual rights or will be a Default under the terms of the Contract.

If this Contract is contingent on financing, and the contingency has not been removed or satisfied, any delay of the Settlement Date necessary to comply with Buyer's lender's obligations pursuant to the RESPA-TILA Integrated Disclosure rule, is not a Default by Buyer; but, Seller may declare the Contract void in writing. Nothing herein shall prohibit the parties from mutually agreeing in writing to extend Settlement Date under terms acceptable by both parties.

38. ARBITRATION Nothing in this Contract shall preclude arbitration under the Code of Ethics and Standards of Practice of the National Association of REALTORS®.



39. REAL ESTATE LICENSED PARTIES The parties acknowledge that _____
is an ☐ active **OR** ☐ inactive licensed real estate agent in ☐ Virginia and/or ☐ Other _____
and is either the ☐ Buyer **OR** ☐ Seller **OR** ☐ is related to one of the parties in this
transaction.

40. ENTIRE AGREEMENT This Contract will be binding upon the parties, and each of their
respective heirs, executors, administrators, successors, and permitted assigns. The provisions
not satisfied at Settlement will survive the delivery of the deed and will not be merged
therein. This Contract, unless amended in writing, contains the final and entire agreement of
the parties and the parties will not be bound by any terms, conditions, oral statements,
warranties or representations not herein contained. The interpretation of this Contract will be
governed by the laws of the Commonwealth of Virginia.

41. ADDITIONS The following forms, if ratified and attached, are made a part of this
Contract. (This list is not all inclusive of addenda that may need to be attached).

| | | | |
|---|--|---|---|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | Home Inspection/Radon Testing Contingency | |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | Lead-Based Paint Inspection Contingency | |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | Contingency and Clauses | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Private Well and/or Septic |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | Pre-Settlement Occupancy | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Post-Settlement Occupancy |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | Residential Property Disclosure | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Lead-Based Paint Disclosure |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | FHA Home Inspection Notice | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FHA Financing |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | Conventional Financing | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No VA Financing |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | FIRPTA Addendum | <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No Other (specify): _____ |

____ Third Party Approval - Bankruptcy Addendum _____

42. DISCLOSURE OF SALES PRICE TO APPRAISER Listing Brokerage and Selling
Broker are hereby authorized to release the Sales Price listed in PRICE AND SPECIFIED
FINANCING Paragraph to any appraiser who contacts them to obtain the information.

43. OTHER TERMS _____

Date of Ratification (see DEFINITIONS)

11/9/2016

SELLER:

Joseph Heath dotloop verified
11/07/16 3:23PM EST
PDI1-RBPJ-JYH9-XDRT
Date Signature

Date Signature

Date Signature

Date Signature

BUYER:

Kenneth Mitchell dotloop verified
11/05/16 7:17PM EDT
YNAV-G54U-FNOL-R3VQ
Date Signature

Date Signature

Date Signature

Michelle Mitchell dotloop verified
11/05/16 12:52PM EDT
NZ1A-QRKC-IU1T-B9YT
Date Signature

For information purposes only:

Listing Brokerage's Name and Address:

Cooperating Brokerage's Name and Address:

Keller Williams Realty
8133 Leesburg Pike 800, Vienna, VA 22182

Keller Williams Capital Properties
4031 University Drive, 5th Floor
Fairfax, VA 22030

Brokerage Phone #: (703) 564-4000

Brokerage Phone #: 703-964-1290

MRIS Broker Code: KWR9

MRIS Broker Code: KWCP3

VA Firm License #: _____

VA Firm License #: _____

Agent Name: Maria Castagnino

Agent Name: Jessica Hampton

Agent Email: castagnino.maria@gmail.com

Agent Email: jbwilson@kw.com

Agent Phone #: (703) 989-0362

Agent Phone #: 703-220-0211

MRIS Agent ID # 3030123

MRIS Agent ID # 3020278

VA Agent License #: _____

VA Agent License #: _____

Team Leader Name: _____

Team Leader Name: _____



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RESIDENTIAL PROPERTY DISCLOSURE STATEMENT
NOTICE TO SELLER AND PURCHASER

The Virginia Residential Property Disclosure Act (§ 55-517 et seq. of the *Code of Virginia*) requires the owner of certain residential real property, whenever the property is to be sold or leased with an option to buy, to furnish this form to the purchaser and to refer the purchaser to a Virginia Real Estate Board website for additional information.

Certain transfers of residential property are excluded from this requirement (see § 55-518).

Property Address/1905 JOLIETTE CT, ALEXANDRIA, VA 22307-1626

Legal Description:Hollin Glen Lt 45

The owner makes no representations with respect to the matters set forth and described at the RESIDENTIAL PROPERTY DISCLOSURES web page. The purchaser is advised to consult the website (http://www.dpor.virginia.gov/News/Residential_Property_Disclosures/) for important information about the real property.

The undersigned owner(s) represents that there are no pending enforcement actions pursuant to the Uniform Statewide Building Code (§ 36-97 et seq.) that affect the safe, decent, and sanitary living conditions of the real property described above of which the owner has been notified in writing by the locality, nor any pending violation of the local zoning ordinance which the violator has not abated or remedied under the zoning ordinance, within a time period set out in the written notice of violation from the locality or established by a court of competent jurisdiction, except as disclosed on this statement.

| |
|--|
| |
|--|

The owner(s) acknowledge having carefully examined this statement and further acknowledge that they have been informed of rights and obligations under the Virginia Residential Property Disclosure Act.

Joseph Heath

dotloop verified
11/07/16 3:23PM EST
BJOG-6VFZ-HUTP-XSU8

Owner

Date

Owner

Date

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

Michelle Mitchell

dotloop verified
11/05/16 5:03PM EDT
UYLC-ZNCD-DQ5H-JWJQ

Purchaser

Date

Kenneth Mitchell

dotloop verified
11/05/16 7:17PM EDT
GIRZ-HD5I-EUGC-FYHC

Purchaser

Date

SALE: DISCLOSURE AND ACKNOWLEDGMENT OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

For the sale of the Property at: 1905 JOLIETTE CT, Alexandria, VA 22307

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

JH
11/07/16
3:23PM EST

(a) Presence of lead-based paint and/or lead-based paint hazard (check one below):

☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):

☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and Reports available to the seller (check one below):

☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):

☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

MM 11/05/16
MM 11/05/16
MM 11/05/16
12:52PM EDT 7:17PM EDT

(c) Purchaser has received and had an opportunity to review copies of all information listed above.

(d) Purchaser has received the pamphlet *Protect Your Family From Lead in Your Home*.

(e) Purchaser has (check one below):

☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint or lead-based paint hazards; or

☒ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Sales Associates' Acknowledgments (initial)

MC 11/07/16
3:05PM EST

MM 11/05/16
12:10PM EDT

(f) Listing and Selling Sales Associates are aware of their duty to ensure compliance with 42 U.S.C. 4852d. These Associates have informed the Seller of the Sellers' obligations under this law as evidenced by Seller and Purchaser having completed this form.

Certification of Accuracy

The undersigned have reviewed the information above and certify that to the best of their knowledge the information they have provided is true and accurate.

SELLER:

Joseph Heath dotloop verified 11/07/16 3:23PM EST G6WV-09NY-SBKW-E9WT
Date Signature
Maria Castagnino dotloop verified 11/07/16 3:05PM EST CY7E-9PIK-VCEV-TMYW
Date Signature of Listing Associate

PURCHASER:

Kenneth Mitchell dotloop verified 11/05/16 7:17PM EDT 1MCP-GISE-NTXZ-FQMA
Date Signature
Michelle Mitchell dotloop verified 11/05/16 12:52PM EDT OFZF-IUCD-SIRG-ZDZP
Date Signature
JB Hamster dotloop verified 11/05/16 12:10PM EDT 02RM-SLEN-EHJJ-ZB8X
Date Signature of Selling Associate



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CONVENTIONAL FINANCING AND APPRAISAL CONTINGENCY ADDENDUM

This Addendum is made on 11/05/2016, to a sales contract ("Contract") offered on 11/05/2016,
between Michelle Mitchell and Kenneth Mitchell ("Buyer") and
Joseph F Heath ("Seller") for the
purchase and sale of the Property: 1905 JOLIETTE CT, Alexandria, VA 22307

1. DEED(S) OF TRUST Buyer shall pay upfront and/or monthly mortgage insurance premiums as required by lender guidelines.



2. FINANCING CONTINGENCY

- A.** This Contract is contingent until 9 p.m. 23 Days after Date of Ratification ("Financing Deadline") upon Buyer obtaining and delivering to Seller a written commitment(s) or conditional commitment(s), as the case may be, for the financing described in the PRICE AND SPECIFIED FINANCING paragraph of this Contract.
- B.** If this contingency has not been satisfied by the Financing Deadline, this contingency will continue up to and including Settlement Date. However, upon expiration of the Financing Deadline, Seller may at Seller's option Deliver Notice to Buyer that Buyer has three days to void the Contract. If Buyer does not void the Contract within three days following Delivery of Seller's Notice, this contingency is removed and the Contract will remain in full force and effect with no Financing Contingency.
- C.** This Contract will become void if, prior to satisfaction of this contingency, Buyer receives a written rejection from the lender or lenders to whom Buyer has applied pursuant to Paragraph 2 for the Specified Financing and Delivers a copy of the written rejection to Seller on or before Settlement Date.
- D.** Buyer will be in Default whether or not the Financing Contingency has been removed if Settlement does not occur on Settlement Date for any reason other than Default by Seller.
- E.** If this Contingency has expired, or not been removed or satisfied, any delay of the Settlement Date necessary to comply with Buyer's lender's obligations pursuant to the TILA-RESPA Integrated Disclosure rule, is not a Default by Buyer; but, Seller may declare the Contract void in writing.
- F.** Nothing herein shall prohibit the parties from mutually agreeing to terms acceptable to both parties in writing.

3. APPRAISAL CONTINGENCY This Contract ☒ is contingent **OR** ☐ is not contingent upon an Appraisal pursuant to this paragraph. Buyer shall have until 9 p.m. 22 Days (minimum of 21 days recommended) following the Date of Ratification to obtain an Appraisal ("Appraisal Deadline"). In the event that neither box is checked, this Contract is contingent upon an Appraisal pursuant to this paragraph and the Appraisal Deadline is the Financing Deadline set forth above. Buyer shall provide Notice to Seller by the Appraisal Deadline, as follows:

- A.** The Appraisal is equal to or greater than the Sales Price. This contingency has been satisfied and removed. The parties shall proceed to Settlement; **OR**




11/07/16
3:23PM EST

 
11/05/16 11/05/16
12:52PM EDT 7:17PM EDT

- B.** The Appraisal is equal to or greater than the Sales Price. However, Buyer elects not to proceed with consummation of this Contract because the Property does not satisfy the lender(s) requirements, the Appraisal does not allow for the Specified Financing or the Property is inadequate collateral. Such Notice must be accompanied by a written denial of the financing showing written evidence of the lender(s)'s decision concerning the Property. Buyer must provide such written evidence concurrently with Buyer's Notice of election not to proceed; **OR**
- C.** The Appraisal is not equal to or greater than the Sales Price and Buyer elects not to proceed with consummation of this Contract unless Seller elects to lower the Sales Price to the appraised value. Buyer's Notice shall include a copy of the written statement setting forth the appraised value of the Property. It will be Seller's option to lower the Sales Price to the appraised value and the parties shall proceed to Settlement at the lower Sales Price. If Seller does not make this election, the parties may agree to mutually acceptable terms. Each election must be made by Notice within 3 Days after Notice from the other party. The parties will immediately sign any appropriate amendments. If the parties fail to agree, this Contract will become void; **OR**
- D.** Buyer elects to proceed with consummation of this Contract without regard to the Appraisal. The parties shall proceed to Settlement.

If Buyer fails to give Seller Notice by the Appraisal Deadline, this contingency will continue, unless Seller at Seller's option gives Notice to Buyer that this Contract will become void. If Seller delivers such Notice, this Contract will become void at 9 p.m. on the third day following Delivery of Seller's Notice, unless prior to such date and time Buyer delivers the required Notice.

- 4. SELLER SUBSIDY** Seller will pay at Settlement \$10,000 _____ toward Buyer's charges (including but not limited to loan origination fees, discount points, buy down or subsidy fees, prepaids or other charges) as allowed by lender(s). It is Buyer's responsibility to confirm with his lender(s) that the entire credit provided herein may be utilized. If lender(s) prohibits Seller from the payment of any portion of this credit, then said credit shall be reduced to the amount allowed by lender(s).
- 5. LENDER REQUIRED REPAIRS** If, as a condition of providing financing under this Contract, the lender(s) requires repairs to be made to the Property, then Buyer will give Notice to Seller of the lender(s)'s required repairs. Within 5 Days after such Notice, Seller will give Notice to Buyer as to whether Seller will make the repairs. If Seller will not make the repairs, Buyer will give Notice to Seller within 5 Days after Seller's Notice as to whether Buyer will make the repairs. If neither Seller nor Buyer will make the repairs, then this Contract will become void. This clause will not release Seller from any responsibilities set forth in the paragraphs titled UTILITIES WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING; PERSONAL PROPERTY AND FIXTURES; WOOD-DESTROYING INSECT INSPECTION; or in the Private Well and/or Septic System Addendum or any terms specifically set forth in this Contract and any addenda.


11/07/16
3:23PM EST
11/05/16
12:52PM EDT
11/05/16
7:17PM EDT

SELLER:

Joseph Heath dotloop verified
11/07/16 3:23PM EST
P4V1-PZU0-2NDZ-SFAD

Date Signature

Date Signature

Date Signature

Date Signature

BUYER:

Kenneth Mitchell dotloop verified
11/05/16 7:17PM EDT
LZPJ-O5ED-HWIC-GRHT

Date Signature

Michelle Mitchell dotloop verified
11/05/16 12:52PM EDT
29UI-NI5W-ZZ2R-JM50

Date Signature

Date Signature

Date Signature



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HOME INSPECTION AND RADON TESTING CONTINGENCY ADDENDUM

This Addendum is made on 11/05/2016, to a sales contract ("Contract") offered on 11/05/2016, between Michelle Mitchell and Kenneth Mitchell ("Purchaser") and Joseph F Heath ("Seller") for the purchase and sale of the Property: 1905 JOLIETTE CT, Alexandria, VA 22307

1. HOME INSPECTION

A. Inspection Period Contract is contingent ("Home Inspection Contingency") until 9 p.m. 7 Days after Date of Ratification ("Home Inspection Deadline") upon inspection(s) of the Property by professional, insured inspector(s) ("Inspection") at Purchaser's discretion and expense. Pursuant to the terms of this Contract, Seller will have all utilities in service. If, for any reason, the utilities are not in service, Home Inspection Deadline will be extended until 9 p.m. 3 Days after Purchaser receives Notice from Seller that all utilities are in service.

If the results of such Inspection(s) are unsatisfactory to Purchaser, in Purchaser's sole discretion, Purchaser shall Deliver to Seller, prior to Home Inspection Deadline:

- 1) An entire copy of the report(s) and a written addendum listing the specific existing deficiencies of Property that Purchaser would like Seller to remedy together with Purchaser's proposed remedies ("Inspection Addendum") **OR**
- 2) An entire copy of the report(s) and Notice voiding Contract.

If Purchaser fails to obtain an Inspection, fails to Deliver a copy of the report(s) to Seller, or fails to Deliver Inspection Addendum or Notice voiding this Contract prior to Home Inspection Deadline, this Contingency will expire and this Contract will remain in full force and effect with no Home Inspection Contingency.

B. Negotiation Period In the event of A.1) above, the parties shall have until 9 p.m. 7 Days after Purchaser's Delivery of Inspection Addendum ("Negotiation Period") to negotiate a mutually acceptable written addendum addressing the deficiencies.

At any time during Negotiation Period, Purchaser or Seller may make, modify, rescind, or alter as many offers and counter-offers as desired to reach mutually acceptable terms. Purchaser and Seller may agree on terms by signing a written addendum describing agreed upon deficiencies and remedies within Negotiation Period.

C. Purchaser's Election If, at the end of Negotiation Period, the parties are unable to reach an agreement, Purchaser shall have the option to void this Contract by Delivering Notice to Seller by 9 p.m. 2 Days following the end of Negotiation Period, otherwise Home Inspection Contingency shall be removed and this Contract will remain in full force and effect.

2. RADON TESTING

A. Radon Inspection Period This Contract is contingent ("Radon Inspection Contingency") until 9 p.m. 7 Days after the Date of Ratification ("Radon Testing Deadline") upon Purchaser, at Purchaser's discretion and expense, having the Property inspected for

the presence of radon and receiving a report ("Radon Report") from the test, by a radon professional certified by the National Radon Safety Board ("NRSB"), or the National Radon Proficiency Program ("NRPP") ("Radon Professional") using U.S. Environmental Protection Agency ("EPA") approved testing methods. Testing device(s) to be placed and retrieved by Radon Professional. Pursuant to the terms of this Contract, Seller will have all utilities in service. If, for any reason, the utilities are not in service, Radon Testing Deadline will be extended until 9 p.m. 4 Days after Purchaser receives Notice from Seller that all utilities are in service.

B. Testing Guidelines Seller agrees to follow EPA guidelines and testing recommendations in order to produce accurate results. These guidelines include the following requirements to be in place **12 hours prior to the scheduled test period** and throughout the duration of the test:

- a. ALL windows must remain shut
- b. Exterior doors should be used only for normal ingress/egress and must not be left open
- c. Whole house exhaust fans or smaller fans near the testing device(s) must not be used

Should Radon Professional indicate in writing that these requirements have not been met, Seller shall pay for a new test under Purchaser's direction and Radon Inspection Contingency shall automatically be extended until 9 p.m. 3 Days after Seller notifies Purchaser that these requirements are in place.

If Radon Report confirms the presence of radon that equals or exceeds the action level established by the EPA, Purchaser, at Purchaser's sole discretion, shall Deliver to Seller, prior to Radon Testing Deadline:

- 1) An entire copy of Radon Report and a written addendum requiring Seller, at Seller's expense prior to Settlement: (i) to mitigate the radon condition by contracting with a NRSB or NRPP listed remediation firm to reduce the presence of radon below the action level established by the EPA; and (ii) to Deliver to Purchaser a written re-test result performed by a Purchaser-selected Radon Professional and following the required Testing Guidelines ("Radon Inspection Addendum") **OR**
- 2) An entire copy of Radon Report and Notice voiding this Contract.

If Purchaser fails to obtain an inspection, fails to Deliver a copy of Radon Report to Seller, or fails to Deliver Radon Inspection Addendum or Notice voiding this Contract prior to Radon Testing Deadline, this Contingency will expire and this Contract will remain in full force and effect with no Radon Inspection Contingency.

C. Radon Negotiation Period In the event of B.1. above, the parties shall have until 9 p.m. 3 Days after Purchaser's Delivery of Radon Inspection Addendum ("Radon Negotiation Period") to negotiate a mutually acceptable written addendum.

At any time during the Radon Negotiation Period, Purchaser or Seller may make, modify, rescind, or alter as many offers and counter-offers as desired to reach mutually acceptable terms. Purchaser and Seller may agree on terms by signing a written addendum describing agreed upon terms within Radon Negotiation Period.

D. Purchaser's Election If, at the end of Radon Negotiation Period, the parties are unable to reach an agreement, Purchaser shall have the option to void Contract by Delivering Notice to Seller by 9 p.m. 3 Days following the end of Radon Negotiation Period, otherwise Radon Inspection Contingency shall be removed and Contract will remain in full force and effect.

SELLER:

Joseph Heath dotloop verified
11/07/16 3:23PM EST
BHS9-SHLD-YNTJ-OREK

Date Signature

Date Signature

Date Signature

Date Signature

PURCHASER:

Kenneth Mitchell dotloop verified
11/05/16 7:17PM EDT
SYHN-BQU8-JWGY-TETN

Date Signature

Michelle Mitchell dotloop verified
11/05/16 12:52PM EDT
P39D-IFAW-RRLA-MD1S

Date Signature

Date Signature

Date Signature

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- Sale of property is contingent upon bankruptcy approval.

