

RESIDENTIAL PROPERTY DISCLAIMER STATEMENT

NOTICE TO SELLER AND PURCHASER

The Virginia Residential Property Disclosure Act requires the owner of certain residential real property, whenever the property is to be sold or leased with an option to buy, to furnish to the purchaser either (a) a RESIDENTIAL PROPERTY DISCLAIMER STATEMENT stating that the owner makes no representations or warranties as to the condition of the property, except as otherwise provided in the purchase contract, or (b) a RESIDENTIAL PROPERTY DISCLOSURE STATEMENT disclosing defects in the condition of the property actually known by the owner. Certain transfers of residential property are excluded from this requirement (see the exemptions listed on the reverse side).

RESIDENTIAL PROPERTY DISCLAIMER STATEMENT

NOTE TO OWNER(S): Sign this statement only if you elect to sell the property without representations and warranties as to its conditions, except as otherwise provided in the purchase contract; otherwise, complete and sign the RESIDENTIAL PROPERTY DISCLOSURE STATEMENT.

Property Address/

Legal Description: _____

The undersigned owner(s) of the real property described above make no representations or warranties as to the condition of the real property or any improvements thereon, and the purchaser will be receiving the property "as is", that is, with all defects which may exist, if any, except as otherwise provided in the real estate purchase contract.

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

Owner Date

Owner Date

NOTE TO PURCHASER(S): The owner(s) make no representations with respect to any matters which may pertain to parcels adjacent to the subject parcel. You should exercise whatever due diligence you deem necessary with respect to adjacent parcels in accordance with the terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement. You should exercise whatever due diligence you deem necessary with respect to information on any sexual offenders registered under Chapter 23 (§19.2-387 et seq.) of Title 19.2, whether the owner proceeds under subdivision 1 or 2 of subsection A of §55-519. Such information may be obtained by contacting your local police department or the Department of State Police, Central Criminal Records Exchange, at 804-674-2000 or www.state.va.us/vsp/vsp.html.

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

Purchaser Date

Purchaser Date

**ANNOTATED SUMMARY OF "RIGHTS AND OBLIGATIONS" OF SELLERS AND PURCHASERS
UNDER VIRGINIA'S RESIDENTIAL PROPERTY CONDITION DISCLOSURE ACT**

[Virginia Code Sections 55-517 et seq.]

(Mandatory for contracts executed on or after 1 July 1993)

Applies to: all nonexempt sales, exchanges, installment sales, or leases with option to buy Virginia residential real property consisting of 1 to 4 dwelling units (55-517). Exempt transfers are those pursuant to court order (estates, foreclosures, bankruptcies, etc.); among families or owners; tax sales: new homes (have special requirements) [55-518]. Consult a lawyer if you need to know whether the law applies in your case.

1. OWNER'S (SELLER'S) RIGHTS AND OBLIGATIONS:

- a. Must furnish either a disclaimer or a disclosure statement to a purchaser. [55-519.1-2]
- b. Must use a form developed by the Virginia Real Estate Board. [55-519.1-2]
- c. Must furnish the statement prior to final ratification of the sales contract, or else be subject to the purchaser's exercise of rights to cancel the contract [55-520] or to sue later for damages. (55-524.B.1)
- d. If "disclaiming"--
 - 1) State that the real property with all its improvements is being sold "as is," with no representations or warranties as to condition, except as otherwise provided in the sales contract. [55-519.1]
 - 2) Under the common law doctrine of *caveat emptor applied* by the Virginia Courts, owner may not conceal any known defect to the extent that a purchaser's inspection of the property would not reasonably be expected to uncover that defect and owner may not divert the purchaser from making inquiries or inspecting the premises by knowingly giving false answers to questions.
- e. If "disclosing" detailed information about the property's condition -
 - 1) Must disclose all defects of which the owner has actual knowledge using a list of items, as well as answer a question as to "any other material defects affecting the physical condition of the property." [55-519.2 and Real Estate Board form]
 - 2) Are not required to have any independent inspections or investigations done, but if any experts are used, the owner may furnish their statements (in their respective fields of expertise) in lieu of any by the owner, provided these are properly labeled as such. [55-519.2, 55-521.B]
 - 3) Are not liable for any errors or omissions in the disclosure statement IF the owner had no "actual knowledge" about them, or if the owner reasonably relied upon representations by public agencies or by other experts as noted above, and if the owner was not grossly negligent in obtaining and transmitting the information. [55-521.A]
 - 4) Are not in violation of the law if information disclosed in accordance with it is later made or found to be inaccurate, provided that the owner discloses any such material change at or before settlement. [55-522]
 - 5) At settlement, must update the statement OR certify that the property condition is substantially the same as when the disclosure form was provided. [55-522]

2. PURCHASER'S RIGHTS AND OBLIGATIONS:

- a. May waive the right to receive the disclosure or disclaimer statement (but any waiver must be separate from the sales contract). [55-520.B.v]
- b. If they do not receive a disclosure or a disclaimer statement before the contract is ratified, then they have the right to cancel the sales contract by sending written notice to the owner either by hand delivery or U.S. Mail (postage prepaid and property addressed) any time before receiving the statement, or within 3 days of receipt (if delivered in person) or 5 days of postmark (if sent via U.S. Mail, postage prepaid). [55-520.8.iii]
- c. If they receive a "disclaimer" statement -
 - 1) Lose the right to cancel the sale on the basis of the statement if they settle or pre-occupy [55-520.B.iii-iv] or if they apply for a mortgage loan when the application states their right to cancel terminates at application. [55-520.B.vii]
- d. If they receive a "disclosure" statement -
 - 1) Acknowledge that the information it contains is the representation of the seller, and not of the broker or salesperson, if any. [55-519.2]
 - 2) May cancel the sales contract in the event of a misrepresentation by the seller in the disclosure statement. [55-524.B.2]
 - 3) Lose the right to cancel the sale on the basis of the statement if they settle or pre-occupy [55-520.B.iii-iv] or if they apply for a mortgage loan when the application states their right to cancel terminates at application. [55-520.8.v4]
 - 4) Within one year of receipt of the statement, can sue the seller for any actual damages sustained because of seller misrepresentation of defects which would have been disclosed had the seller complied with the law, and of which the purchaser was not aware at the time of settlement or occupancy. [55-524.B.t]
 - 5) Retain the right to pursue any remedies at law or equity otherwise available against an owner in the event of an owner's intentional or willful misrepresentation of the condition of the property. [55-524.C]
- e. If no statement is received, and the right to receive one was not waived--
 - 1) Within one year of settlement (if a sale) or occupancy (if a lease option), can sue the seller for any actual damages sustained as a result of defects in the property which would have been disclosed had the seller complied with the terms of the law, and of which the purchaser was unaware at the time of settlement or occupancy. [55-524.8.1]
- f. If they cancel the contract in compliance with the Act, that termination is without penalty to them and any deposit shall be promptly returned to them. [55-520.B]

Initial to indicate receipt _____

**IF YOU DESIRE A COPY OF THE FULL TEXT VIRGINIA 'S RESIDENTIAL PROPERTY DISCLOSURE ACT, ASK AT PUBLIC
LIBRARIES, AN ATTORNEY'S OFFICE, THE NORTHERN VIRGINIA ASSOCIATION OF REALTORS A REAL ESTATE
BROKERAGE OFFICE**