

Prudential Manasco Realty
523 Main Street
Danville, Virginia 24541

Dear Customer or Client,

On behalf of the entire staff of Prudential Manasco Realty, I thank you for your confidence in our company and the business you bring. I hope this letter will assist you with the decision making process as a buyer. I have found from experience that many of today's buyers assume the consumer protection laws protect their interest in the purchasing process. To a degree this is true, but for your benefit you should keep the following items in mind.

Licensed real estate professionals must disclose any material fact about the property, of which they are aware. The law does not require an agent to be aware of any material fact that has not been disclosed by the seller or that is not obvious by visual inspection. If you as a buyer do not feel comfortable with your inspection of the property, it may be in your best interest to make your contract of purchase contingent upon a home inspection. The inspection charge varies according to the detail level you request, but you can expect an average of \$150-300. Each of the home inspection companies listed at the end of this letter is also qualified to perform Radon or mold test. You should speak with the inspector to inquire about the testing process and the cost if Radon or mold is of concern.

The Virginia contract of purchase requires that the seller provide for an inspection of the home for termites by a licensed Virginia company. If you would like a second opinion by a company of your choice, and at your expense, you should specify this in the contract of purchase and it should be completed during the same time frame as the home inspection, usually 5 days after contract acceptance.

Should the subject property have a well or septic system, the Virginia contract of purchase requires the seller to furnish at closing proof that there is no coliform bacteria contamination of the well or no visual evidence of malfunction of the septic system. If you as a purchaser expect further water testing for minerals or lead you should specify this as a contract contingency to be negotiated at time of contract.

***Please note that North Carolina law is different.** The purchaser is expected to order and pay for the well, septic, and termite inspections.

It is important to remember that these contingencies must be negotiated during the contracting process. After the fact, the seller does not have to complete or allow anything not spelled out in the contract.

The accepted practice in our area to assure there is no evidence of septic malfunction is to have a licensed septic service company visually inspect the property for the seller and certify there is no seepage, wetness, or odor evident that would forewarn a problem. If you as a buyer would like a physical check of the septic tank, this should be specified as a contract contingency in the inspection clause. The average charge to unclog and inspect a tank is \$80-150, payable by the buyer on delivery of the report.

To provide further peace of mind, our company offers a One-Year Buyer Warranty. Some sellers choose to include this warranty in the sale of their home and some do not. If you would like the further benefit of the One-Year Warranty, you may purchase it at closing for \$399.00. Please be sure you understand the coverage, the deductible, and any exclusion. Those items "not covered" are clearly listed in the policy brochure.

The Virginia & North Carolina contract of purchase includes a financing contingency for the purchaser's protection; but the buyer **must meet the deadlines** as specified to retain this contingency. Section (a) specifies the number of days you have to make loan application and section (b) sets the date by which you should have written loan commitment. Please note that loan application means the personal visit to your loan officer, payment of the application fee, and timely delivery of any statements or records the loan officer may require. If the commitment deadline in section (b) is not met due to a delay of the bank, appraiser, or other loan process you should notify the seller or seller agent of the reason for the delay and seek a new deadline. Failure to make loan application as noted in the contract or to cooperate with the loan officer in supplying all information requested is considered a default of contract and loss of the financing contingency. The real estate agent that writes your contract can answer any questions about the loan process and also supply you with a checklist of items you will need to make your loan application.

The contract standard provisions provide that all mechanical systems heat/air, plumbing, electric, well, septic, and any appliances that convey will be in working order at settlement. You have a right to inspect the property prior to closing to verify these items are as they were the day you made the contract. If you feel unqualified to make your pre-closing inspection you might want to plan on having the home inspector or other qualified individual to accompany you at this time. **Your real estate agent cannot be considered a qualified individual to assist in the pre-closing inspection.**

The attorney you choose to handle the title search and closing can make a great difference in how smoothly your closing will proceed. Some attorneys handle several real estate transactions per week and some only handle a few per year. I strongly suggest you speak with the attorney you choose and verify their experience with real estate closings and the amount they will charge for their service.

Title insurance is required by most financing companies and is optional for cash purchasers. You should discuss the benefits of title insurance with your settlement attorney and be aware that you may shop for the best price. I suggest you also consider obtaining an **owner's title** policy; the standard lender's policy will not cover your future equity, it only protects the lender's interest.

Our company policy on agency relationships is clearly defined and we offer a brochure that explains each type of agency you as a purchaser can choose from. Please look over the agency brochure "A Realtors Role- Understanding the Options" prior to beginning your tour of real estate properties. You must let your sales agent know the type of representation you would like prior to visiting the property; this is necessary because the seller must be made aware if we represent anyone other than himself.

Our company offers equal professional service to all home seekers and is a signatory to the Voluntary Affirmative Marketing Agreement (VAMA) initiated by the Dept. of HUD and the National Association of Realtors. You will be provided with a brochure that explains the fair housing laws and equal opportunity housing.

For your convenience I have supplied the following list of home inspectors, water testing, septic, termite companies, and real estate attorneys which we work with on a regular basis. You may locate other choices in the phone yellow pages should you prefer a larger selection.

HOME INSPECTORS

- a. American Home Inspection, ...793-1100
- b. Home Check Professionals ...793-4663
- c. U.S. Home Inspection, James Thomas, 793-5300

TERMITE / PEST CONTROL

- a. Crawford Pest Control - 793-7378
- b. Dodson Pest 793-6226
- c. Four Seasons Pest Control – 432-1600

SEPTIC INSPECTION

- a. American Home Inspection 793-7969
- b. Rickey's Septic Tank.... 797-9855

WATER TESTING

- a. American Water Testing- 793-7969
- b. Water Technologies 336-342-4748

REAL ESTATE ATTORNEYS

Danville

- a.. Carter Craig792-9311
- b. Clement & Wheatley...793-8200

- c. All Virginia Title....791-4060

Chatham

- a. Jesse Overby/ Linda Ramsey - 432-2531
- b. Kent & Kent434-369-5603

Yanceyville/ Caswell County -N.C.

- a. Bill Daniel.....336-694-5882
- b. John Thomas.....336-694-4363

Sincerely,

Carl E. Manasco, Principal Broker & Owner, Prudential Manasco Realty

Buyer Date

Buyer Date Agent Date

Attachments:

- a. A Realtors Role- Understanding the Options (Agency)
- b. What Everyone Should Know About Equal Opportunity in Housing