

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (the "Agreement"), made as of this ____ day of _____, 2011, by Hampton Redevelopment & Housing Authority, a political subdivision of the Commonwealth of Virginia, (the "Seller"), and _____, ("Purchaser").

WITNESSETH: That for and in consideration of one dollar and other valuable consideration, receipt of which is hereby acknowledged, the Seller agrees to sell and the Purchaser agrees to buy the following described land together with all improvements. The land and improvements subject to this Agreement (the "Property") are described as follows: 112 Maple Avenue, Hampton Virginia.

LEGAL

All that certain lot or parcel of land situate, lying and being in the City of Hampton, Virginia known as Lot Numbered ONE HUNDRED NINETEEN (119), as shown on plat of survey entitled, "MAP OF FOWLER HEIGHTS", made by George E. Saunders, C. E., dated July 17, 1936, duly of record in the Clerk's Office of the Circuit Court for the City of Hampton, Virginia, in Deed Book 94, page 317, to which plat reference is here made. RCP # 1004049

1. **Purchase Price.** The total consideration is as follows: _____ (\$ _____) in full for the Property, all appurtenances and improvements thereon (the "Purchase Price"). The Purchase Price represents the value of all estates or interests in such Property. Seller will provide financing for the Purchase Price, which amount shall be abated if Purchaser fulfills its obligations under paragraph 2 below. Purchaser shall execute at closing a promissory note and deed of trust (the "Note" and "Deed of Trust") securing the financing in the form as set forth on Exhibit D and E attached hereto and made a part hereof.

2. **Restriction on Use.** Purchaser agrees, for it and its successors and assigns, to the design improvements set forth on Exhibit C attached hereto and made a part hereof to the proposed construction of a single family dwelling as a condition of sale and final conveyance of the Property. The deed of conveyance shall contain a reverter clause whereby the Property will be reconveyed to Seller should Purchaser default in not timely constructing the home. In addition, Purchaser shall execute a reverter agreement in the form set forth on Exhibit B.

Purchaser agrees to commence construction of the single-family home within 90 days of closing and complete construction and obtain a permanent certificate of occupancy within 15 months from closing.

3. **Settlement.** Settlement ("Settlement") shall occur at the office of Purchaser's attorney ("Settlement Agent") on or about 60 days from the date this Agreement is fully executed, or soon thereafter, allowing a reasonable time to correct any title defects reported by the title examiner and the preparation and signing of the necessary documents to enable the Purchaser to take proper title. Possession of the Property shall be given to the Purchaser at Settlement, unless otherwise agreed in writing by the parties hereto.

4. **Prorations**. All rents, interest, taxes, utilities and other appropriate items shall be paid through the last day of the Settlement month. Assessments, general or special in nature, pending or confirmed, shall be paid or satisfied in full by the Seller at Settlement.

5. **Settlement Costs and Expenses**. The Purchaser shall bear the cost of performing any studies required by the Purchaser under due diligence, preparing the deed, obtaining a title report for the Property and all other closing costs associated with settlement including all recording costs, grantor's tax and transfer taxes. The Seller shall pay the transfer taxes, if applicable, and its own attorney's costs.

6. **Conveyance/Title**. The Seller agrees to convey the Property to the Purchaser at Settlement by a properly executed and delivered **Special Warranty Deed** subject to all easements, restrictions, rights-of-way and encroachments of record, which do not affect the use of the Property by the Purchaser or render the title unmarketable. If the examination reveals a title defect of a character that can be remedied by legal action or otherwise within a reasonable period of time, the Seller may at Seller's sole discretion, (1) at the Seller's sole cost and expense, take such action as is necessary to cure such defect or (2) terminate this Agreement. If the defect is not cured within sixty (60) days after the Seller received notice of defect, then either party may terminate this Agreement at the expiration of such sixty (60) day period. Upon written notice of termination of this Agreement, said Agreement shall be terminated and neither party shall have any further rights against or obligations or liability to the other hereunder.

The Seller shall supply, at Settlement, all affidavits and any other documents required by the Purchaser's title insurance company for the issuance of policy of insurance, including, but not limited to, an affidavit in a form acceptable to the Purchaser, and signed by the Seller that no labor or materials have been furnished to the Property within the statutory period for the filing of mechanics' or materialmen's liens against the Property. If labor or materials have been furnished during the statutory period, the Seller shall deliver to the Purchaser, at Settlement, an affidavit signed by the Seller and the person(s) furnishing the labor or materials that the costs thereof have been paid.

7. **Risk of Loss**. Risk of loss or damage to the Property by fire, wind, storm, or other casualty, or other cause shall remain upon the Seller until transfer of legal title at Settlement.

8. **Legal and Equitable Enforcement of Agreement**. If either party defaults under this Agreement, the non-defaulting party may pursue all remedies available to the non-defaulting party at law or in equity. All rights and remedies hereunder are cumulative.

9. **Remedies Subsequent to Conveyance**. In the event of default or breach by the Purchaser with respect to the construction of the improvements referred to in paragraph 2 of this Agreement, the Seller may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to:

- (a) Enforce its rights and remedies under the Deed of Trust,
- (b) Proceedings to compel specific performance by the party in default or breach of its obligations, or
- (c) At the Hampton Redevelopment & Housing Authority's option, reconveyance of the property to the Hampton Redevelopment & Housing Authority, without charge, free and clear of all liens and encumbrances.

10. **Survival.** THE COVENANTS, AGREEMENTS, REPRESENTATIONS, WARRANTIES AND INDEMNITIES OF THE PURCHASER CONTAINED IN THESE PARAGRAPHS WILL SURVIVE SETTLEMENT AND DELIVERY OF THE DEED.

11. **Entire Agreement/Modification.** There have been no other promises, considerations or representations made which are not set forth in this Agreement. There may be no modification of this Agreement, except in writing, executed by the authorized representatives of the Purchaser and the Seller.

12. **Successors and Assigns/Miscellaneous.** The terms and provisions of this Agreement are binding upon and will inure to the benefit of the parties, their respective successors and assigns. To the extent any handwritten or typewritten terms herein conflict with, or are inconsistent with the printed terms hereof, the handwritten or typewritten terms shall control.

13. **Governing Law/Venue.** This Agreement shall be deemed to be a Virginia contract and shall be governed by the laws of the Commonwealth of Virginia, and the parties hereto designate the Circuit Court of the City of Hampton, or the United States District Court for the Eastern District of Virginia, Newport News Division, as the case may be, as the proper venue for all litigation of issues relating to this Agreement.

14. **IRS Requirements.** In accordance with instructions by the Department of the Treasury, Internal Revenue Service, for Form 1099-S, you, as the Purchaser, are required by Law to provide the Seller, 22 Lincoln Street, Hampton, VA 23669 with your correct taxpayer identification number. If you do not provide the Seller's Office with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law. The Purchaser will also provide the Seller with other documents necessary for the Seller to comply with State reporting requirements

Under the penalties of perjury, as the Purchaser, I/we certify that the number(s) shown on this Agreement is/are my/our correct taxpayer identification number(s).

15. **Signatures of parties.** The following information must be provided on the signature lines below:

- a. Where the Purchaser is an individual or individuals, each person shall sign and print his/her name and include his/her taxpayer identification number.

b. Where the Purchaser is a business, the authorized agent of the Purchaser shall sign and print his/her name, provide his/her title, the taxpayer identification number of the business and, where necessary, a resolution authorizing the sale of the property.

c. Where any person holds a Power of Attorney for a Purchaser, a copy of the Power of Attorney shall be attached and the person shall sign for the Purchaser as his/her Attorney-in-fact.

WITNESS the following signatures:

**HAMPTON REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Edith Peters, Interim Executive Director

Date: _____

PURCHASER(S):

PURCHASER

By: _____

Date: _____

NAME TIN # _____

MAILING ADDRESS _____

PHONE # _____

EXHIBIT A

THIS DEVELOPMENT AGREEMENT made this _____ day of _____, 2011, by and between the HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision created and existing under the laws of the Commonwealth of Virginia, party of the first part, Seller, hereinafter known as “the Authority,” and _____, parties of the second part, hereinafter referred to as “Purchaser.”

WHEREAS, the Authority and Purchaser have entered into a Purchase Contract and Amendment (collectively the “Purchase Contract”) whereby the Authority has agreed to sell and the Purchaser has agreed to purchase the real property located at **112 Maple Ave**, Hampton, Virginia (the “Property”); and

WHEREAS, as a condition of the sale, Purchaser has agreed to construct and build a single residential home (the “Home”) on the combined Property; and

WHEREAS, the parties wish to set forth the terms and conditions for the construction of the Home.

NOW THEREFORE for the mutual consideration contained herein and the Purchase Contract, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Authority agrees to sell and convey the Property to Purchaser for the sum set forth in the Purchase Contract.
2. Purchaser shall construct a residential single-family detached home on the Property in conformance with the Design Criteria for newly constructed houses as stated in Exhibit C of the agreement and made a part of this agreement. Construction shall be in accordance with plans and specifications submitted by Purchaser and attached hereto as Exhibit C and made a part hereof. Any changes to the plans and specifications

must be approved by the Authority in writing. Failure of the Purchaser to have the Authority approve any changes to the plans and specifications will be a default under the terms of this agreement. The Home must be constructed in accordance with the City of Hampton zoning ordinance and applicable building code regulations.

3. To ensure that the Home is built on the Property, Purchaser will execute a note and second deed of trust to be secured on the Property for \$9,650 which represents half of the assessed value of the Property. In addition, the special warranty deed shall also contain a reverter clause that if the Purchaser does not comply with the Purchase Contract and the Development Agreement, the Property, at the Authority's option, shall revert back to the Authority and the Authority shall pay to Purchaser the sales price agreed upon in the REIN contract ratified on _____.
4. In the event Purchaser does not construct the Home in conformance with paragraph 2 and within the timeframe allotted in paragraph 6, the Authority will notify the Purchaser at which time the Purchaser will have fifteen (15) days to be in compliance with paragraph 2. If at the end of thirty (30) days from notification, the Purchaser remains in default under Paragraph 2, the Authority has the right to seek injunctive relief. In addition, the Authority may initiate foreclosure proceedings under the note and deed of trust set forth in Paragraph 3 above. In either event, Purchaser would be liable to the Authority for any costs and expenses incurred by the Authority as a result thereof, including reasonable attorney's fees.

5. Should Purchaser default under this Agreement, thereby requiring the Property to be re-conveyed to the Authority, then in that event, the Authority would have the right to engage another builder to complete the Home. In such event, Purchaser would be liable to the Authority for any costs and expenses incurred by the Authority as a result thereof, including reasonable attorney's fees.
6. Purchaser shall commence construction of the Home within ninety (90) days of delivery of the deed conveying the Property to Purchaser, and shall complete construction of said Home within one year and three months or four hundred fifty-five (455) days of delivery of deed.
7. Purchaser, except as otherwise provided herein, shall retain the interest it acquired in the Property until completion of the Home and shall not sell, lease, or transfer the interest acquired, or any part thereof, with the exception of any interest required for construction financing. In the event Purchaser seeks bank construction financing, the Authority hereby agrees to subordinate to said construction loan.
8. Purchaser, in the event it has not commenced meaningful construction of the Home as required in paragraph 2 and within the timeframe allotted in paragraph 6, will forthwith, upon request by the Authority, re-convey the Property to the Authority for the sum of _____. Such conveyance will be subject to any construction loan for construction of improvements on the Property secured by a deed of trust on the Property. Should Purchaser default under this Agreement, thereby requiring the Property to be re-conveyed to the Authority, then in that event, the Authority would have the right to engage another builder to complete the

9. Home. In such event, Purchaser would be liable to the Authority for any costs and expenses incurred by the Authority as a result thereof, including reasonable attorney's fees.
10. The Authority, in the event construction of improvements has been commenced and has been completed on the Home, pursuant to the approved or amended plans and specifications, within the periods set forth in paragraph 6 above, will so certify to Purchaser.
11. All housing design plans are to be approved by the Authority as submitted by the Purchaser, subject to the review process for permitting.
12. Time is of the essence in the performance of this Agreement.

IN WITNESS WHEREOF, Hampton Redevelopment and Housing Authority has caused this Agreement to be executed in its name and behalf by its duly authorized officer, and Purchaser has caused this Agreement to be executed in its name and behalf by its duly authorized agent.

SEE ATTACHED PAGE FOR SIGNATURES:

HAMPTON REDEVELOPMENT
AND HOUSING AUTHORITY

By: _____
Acting Executive Director

Commonwealth of Virginia
City of Hampton, to wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____, Executive Director of Hampton Redevelopment and Housing Authority who is personally known to me.

Notary Public

My commission expires: _____

PURCHASER

BY: _____

Commonwealth of Virginia
City of Hampton, to wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____, of Habitat for Humanity - Peninsula Authority who is personally known to me.

Notary Public

My commission expires: _____

EXHIBIT B

REVERTER AGREEMENT

This REVERTER AGREEMENT is dated as of this ____ day of _____, 2011 by and between the Hampton Redevelopment and Housing Authority (the "Authority") and _____, having an address of _____ (the "Developer").

RECITALS

A. The Authority has conveyed to the Developer that certain real estate described on Exhibit "A" attached hereto (the "Property") pursuant to a Deed of even date herewith between the Authority and Developer.

B. The Developer has agreed to construct certain Improvements on the Property in accordance with the guidelines and criteria set forth on Exhibit "C" (the "Improvements").

C. The Deed provides that if the Developer does not construct the Improvements as set forth in this Agreement, then the Property shall revert to the Authority.

NOW THEREFORE, in consideration of the transfer of the Property to the Developer and other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Developer agrees at its sole cost and expense to complete the construction of the Improvements in accordance with Exhibit A attached hereto by no later than September 1, 2012 (the "Completion Date").

2. In the event the Improvements are not completed by the Completion Date, the Property shall revert to and thereafter become fee simple real estate owned by the Authority. Upon the request of the Authority, the Grantor will provide a general warranty deed to the Property in form and substance acceptable to the Authority evidencing the reconveyance of the Property.

3. During the construction of the Improvements, Developer will not place any additional liens or encumbrances on the Property except as consented to by the Authority. In that regard, the Authority agrees not to unreasonably withhold its consent to any construction loan financed with a commercial bank or similar lender intended to fund the construction and development of the Improvements. In such an event, the Authority will enter into a Subordination Agreement in form and satisfactory to such lender. Upon completion of the Improvements satisfactory to the Authority, the Authority agrees to issue a letter acknowledging the release of the reverter rights described herein.

4. Developer's obligations hereunder are secured by that certain Deed of Trust of even date herewith executed by the Developer to Raymond H. Suttle, Jr. as Trustee. In the event the Developer does not comply with the obligations set forth herein, the Developer shall be deemed to be in default under said Deed of Trust and the Authority may afford itself of all remedies provided for thereunder including, without limitation, foreclosure under the Deed of Trust.

This Agreement shall be binding upon the parties hereto and shall be binding upon and inure to the benefit of their successors and assigns.

This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia.

This Agreement may only be modified or amended by a written agreement signed by authorized representatives of the parties hereto.

WITNESS the following signatures as of the year and date first above written.

HAMPTON REDEVELOPMENT
AND HOUSING AUTHORITY

By: _____

Edith Peters

Title: Interim Executive Director

PURCHASER

By: _____

Title: _____

SAMPLE PROMISSORY NOTE

\$9,650

_____, Virginia
_____, 2011

FOR VALUE RECEIVED, the undersigned agrees to pay to the order of HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY, or order, at its office in the City of Hampton, Virginia, the sum of **NINE THOUSAND SIX HUNDRED FIFTY DOLLARS AND 00/100 (\$9,650.00)**, bearing no interest The said principal shall become due and payable upon the occurrence of any of the following events:

1. Failure of the purchaser to construct a residential single-family detached home on the property known as 112 Maple Avenue, Hampton, Virginia, and conform with the agreement of Sale and Development Agreement dated _____, 2011.
2. Sale, conveyance, transfer or lease of 112 Maple Ave, Hampton, Virginia, or any part hereof or any interest therein without the prior written consent of the Noteholder and its trustees.

Presentment, protest, and notice are hereby waived. The drawer and endorser of this note also waives the benefit of the homestead exemption as to this debt; and in the event of default further agrees to pay all expenses incurred in connection with and/or reducing to judgment the above obligation, including twenty percent attorney's fees.

This note is secured by a deed of trust of even date herewith on property located in Hampton, Virginia, and this note is to be construed according to the laws of Virginia.

NOTICE: THE DEBT EVIDENCED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS HEREOF BEING MODIFIED IN THE EVENT OF TRANSFER, SALE, CONVEYANCE OF ANY INTEREST IN THE REAL PROPERTY WHICH SECURED THIS DEBT.

Witness the following signature and seal:

Purchaser

STATE OF VIRGINIA,
CITY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____, Purchaser. He is personally known to me or has produced _____ as proper identification.

Notary Public

My Commission expires: _____