

**RESIDENTIAL USE ADDENDUM TO COMMERCIAL AGREEMENT OF SALE
FOR USE WHEN TRANSFERRING 1-4 RESIDENTIAL UNITS**

RUA

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

1 PROPERTY

2 SELLER

3 BUYER

4 DATE OF AGREEMENT _____

Buyer has received the Seller's Property Disclosure Statement before signing the Agreement, if required by law. (See Information Regarding the Seller's Property Disclosure Act.)

**1. RESIDENTIAL LEAD-BASED PAINT HAZARD REDUCTION ACT NOTICE
REQUIRED FOR PROPERTIES BUILT BEFORE 1978 (4-02)**

- NOT APPLICABLE
- APPLICABLE

(A) **Seller represents that** Seller has no knowledge concerning the presence of lead-based paint and/or lead-based paint hazards in or about the Property, unless checked below.

Seller has knowledge of the presence of lead-based paint and/or lead-based paint hazards in or about the Property. (Provide the basis for determining that lead-based paint and/or hazards exist, the location(s), the condition of the painted surfaces, and other available information concerning Seller's knowledge of the presence of lead-based paint and/or lead-based paint hazards.)

(B) **Records/Reports: Seller has no reports or records** pertaining to lead-based paint and/or lead-based paint hazards in or about the Property, unless checked below.

Seller has provided Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in or about the Property. (List documents)

(C) Buyer's Acknowledgement

Buyer has received the pamphlet *Protect Your Family from Lead in Your Home* and has read the Lead Warning Statement contained in this Addendum (See Lead-Based Paint Notices). Buyer has reviewed Seller's disclosure of known lead-based paint and/or lead-based paint hazards, as identified in paragraph 1 (A) and has received the records and reports, if any, pertaining to lead-based paint and/or lead-based paint hazards identified in paragraph 1(B).

Buyer's Initials _____ **Date** _____

(D) **RISK ASSESSMENT/INSPECTION:** Buyer acknowledges that before Buyer is obligated to buy a residential dwelling built before 1978, Buyer has 10 days to conduct a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards unless Buyer and Seller agree to a different time period.

WAIVED. Buyer understands that Buyer has the right to conduct a risk assessment or inspection of the Property to determine the presence of lead-based paint and/or lead-based paint hazards. BUYER WAIVES THIS RIGHT and agrees to the RELEASE set forth in paragraph 4.

ELECTED. Buyer has the option to conduct a risk assessment and/or inspection of the Property for lead-based paint and/or lead-based paint hazards within _____ days of the execution of the Agreement. Buyer will, **within the time period for completing this inspection:**

1. Accept the Property in writing, and agree to the RELEASE set forth in paragraph 4, OR

2. Terminate the Agreement in writing, in which case all deposit monies paid on account of purchase price will be returned promptly to Buyer and the Agreement will be VOID.

Buyer's failure to exercise any of Buyer's options within the time limits specified in this paragraph will constitute a WAIVER of this contingency, in which case Buyer accepts the Property and agrees to the RELEASE set forth in paragraph 4.

(E) **Certification** By signing the Agreement, Buyer and Seller certify the accuracy of their respective statements, to the best of their knowledge.

2. STATUS OF RADON (4-02)

(A) **Seller represents that** Seller has no knowledge concerning the presence or absence of radon unless checked below.

1. Seller has knowledge that the Property was tested on the dates, by the methods (e.g., charcoal canister, alpha track, etc.), and with the results of all tests indicated below:

| DATE | TYPE OF TEST | RESULTS (picocuries/liter or working levels) |
|-------|--------------|--|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

COPIES OF ALL AVAILABLE TEST REPORTS will be delivered to Buyer with the Agreement. SELLER DOES NOT WARRANT EITHER THE METHODS OR RESULTS OF THE TESTS.

2. Seller has knowledge that the Property underwent radon reduction measures on the date(s) and by the method(s) indicated below:

DATE _____ RADON REDUCTION METHOD _____

PREPARED BY: Jess Rahn, staff

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Buyer(s) _____

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(B) RADON INSPECTION CONTINGENCY

- WAIVED. Buyer understands that Buyer has the option to request that the Property be inspected for radon by a certified inspector (see Radon Notice). BUYER WAIVES THIS OPTION and agrees to the RELEASE set forth in paragraph 4.
- ELECTED. Buyer, at Buyer's expense, has the option to obtain, from a certified inspector, a radon test of the Property within _____ days of the execution of the Agreement (see Radon Notice). If the test report reveals the presence of radon at or exceeding 0.02 working levels (4 picocuries/liter), Buyer will, **within the time period for completing this inspection:**
 1. Accept the Property in writing, and agree to the RELEASE set forth in paragraph 4, OR
 2. Terminate the Agreement in writing, in which case all deposit monies paid on account of purchase price will be returned promptly to Buyer and the Agreement will be VOID.

Buyer's failure to exercise any of Buyer's options within the time limits specified in this paragraph will constitute a WAIVER of this contingency, in which case Buyer accepts the Property and agrees to the RELEASE set forth in paragraph 4.

3. HOME INSPECTION CONTINGENCY (4-02)

- WAIVED. Buyer will not conduct a home inspection of the Property as defined by the Pennsylvania Home Inspection Law (see Pennsylvania Home Inspection Law Notice), and agrees to the RELEASE set forth in paragraph 4.
- ELECTED. Buyer, at Buyer's expense, has the option to obtain a home inspection, as defined by the Pennsylvania Home Inspection Law (see Pennsylvania Home Inspection Law Notice) within _____ days of the execution of the Agreement. Such home inspection shall be performed by a full member in good standing of a national home inspection association, or by a person supervised by a full member of a national home inspection association, in accordance with the ethical standards and code of conduct or practice of that association. If Buyer is not satisfied with the condition of the Property as stated in the Home Inspection Report, Buyer will, **within the time period for completing this inspection:**
 1. Accept the Property in writing, and agree to the RELEASE set forth in paragraph 4, OR
 2. Terminate the Agreement in writing, in which case all deposit monies paid on account of purchase price will be returned promptly to Buyer and the Agreement will be VOID.

Buyer's failure to exercise any of Buyer's options within the time limits specified in this paragraph will constitute a WAIVER of this contingency, in which case Buyer accepts the Property and agrees to the RELEASE set forth in paragraph 4.

4. RELEASE (1-00) Buyer hereby releases, quit claims and forever discharges SELLER, ALL BROKERS, their LICENSEES, EMPLOYEES, and any OFFICER or PARTNER of any one of them and any other PERSON, FIRM, or CORPORATION who may be liable by or through them, from any and all claims, losses or demands, including, but not limited to, personal injuries and property damage and all of the consequences thereof, whether now known or not, which may arise from the presence of termites or other wood-boring insects, radon, lead-based paint hazards, environmental hazards, any defects in the individual on-lot sewage disposal system or deficiencies in the on-site water service system, or any defects or conditions on the Property. This release will survive settlement.

All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.

WITNESS _____ BUYER _____ DATE _____

WITNESS _____ BUYER _____ DATE _____

WITNESS _____ SELLER _____ DATE _____

WITNESS _____ SELLER _____ DATE _____

Regarding Lead-Based Paint Hazards Disclosure: Required if Property was built before 1978: The undersigned Licensees involved in this transaction, on behalf of themselves and their brokers, certify that their statements are true to the best of their knowledge and belief. **Acknowledgement:** The Licensees involved in this transaction have informed Seller of Seller's obligations under The Residential Lead Paint Hazard Reduction Act, 42 U.S.C. 4852(d), and are aware of their responsibility to ensure compliance.

100 **BROKER FOR SELLER (Company Name)** _____
101 **ACCEPTED BY** _____ **DATE** _____

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103 **BROKER FOR BUYER (Company Name)** _____

104 **ACCEPTED BY** _____ **DATE** _____

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NOTICES AND INFORMATION

INFORMATION REGARDING THE REAL ESTATE SELLER DISCLOSURE LAW

Generally speaking, the Real Estate Seller Disclosure Law requires that before an agreement of sale is signed, the seller in a residential real estate transfer must make certain disclosures regarding the property to potential buyers in a form defined by the law. A residential real estate transfer is defined as a sale, exchange, installment sales contract, lease with an option to buy, grant or other transfer of an interest in real property where **NOT LESS THAN ONE AND NOT MORE THAN FOUR RESIDENTIAL DWELLING UNITS** are involved.

The Law defines a number of exceptions where the disclosures do not have to be made:

1. Transfers that are the result of a court order.
2. Transfers to a mortgage lender that result from a buyer's default and subsequent foreclosure sales that result from the default.
3. Transfers from a co-owner to one or more other co-owners.
4. Transfers made to a spouse or direct descendant.
5. Transfers between spouses that result from divorce, legal separation, or property settlement.
6. Transfers by a corporation, partnership or other association to its shareholders, partners or other equity owners as part of a plan of liquidation.
7. Transfer of a property to be demolished or converted to non-residential use.
8. Transfer of unimproved real property.
9. Transfers by a fiduciary during the administration of a decedent estate, guardianship, conservatorship or trust.
10. Transfers of new construction that has never been occupied when;
 - a. The buyer has received a one-year warranty covering the construction;
 - b. The building has been inspected for compliance with the applicable building code or, if none, a nationally recognized model building code; and
 - c. A certificate of occupancy or a certificate of code compliance has been issued for the dwelling.

In addition to these exceptions, disclosures for condominiums and cooperatives are limited to the seller's particular unit(s). Disclosures regarding common areas or facilities are not required, as those elements are already addressed in the laws that govern the resale of condominium and cooperative interests.

LEAD-BASED PAINT NOTICES

DISCLOSURES REQUIRED BY THE LEAD-BASED PAINT HAZARDS DISCLOSURE ACT FOR PROPERTIES BUILT BEFORE 1978

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.

Lead Hazards Disclosure Requirements: In accordance with the Residential Lead-Based Paint Hazard Reduction Act, any seller of property built before 1978 must provide the buyer with an EPA-approved lead hazards information pamphlet titled *Protect Your Family from Lead in Your Home* and must disclose to the buyer and the Broker(s) the known presence of lead-based paint and/or lead-based paint hazards in or on the property being sold, including the basis used for determining that lead-based paint and/or lead-based paint hazards exist, the location of lead-based paint or lead-based paint hazards, and the condition of painted surfaces. Any seller of a pre-1978 structure must also provide the buyer with any records or reports available to the seller pertaining to lead-based paint and/or lead-based paint hazards in or about the property being sold, the common areas or other residential dwellings in multi-family housing. The Act further requires that before a buyer is obligated to purchase any housing constructed prior to 1978, the seller will give the buyer 10 days (unless buyer and seller agree in writing to another time period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. The opportunity to conduct a risk assessment or inspection may be waived by the buyer, in writing. Neither testing nor abatement is required of the seller. Housing built in 1978 or later is not subject to the Act.

RADON NOTICE

Radon is a natural, radioactive gas that is produced in the ground by the normal decay of uranium and radium. Studies indicate that extended exposure to high levels of radon gas can increase the risk of lung cancer. Radon can find its way into any air-space, including basements and crawl spaces and can permeate a structure. The U.S. Environmental Protection Agency (EPA) advises corrective action if the annual average exposure to radon exceeds 0.02 working levels or 4 picocuries/liter. If a house has a radon problem, it usually can be cured by increased ventilation and/or by preventing radon entry. Any person who tests, mitigates, or safeguards a building for radon in Pennsylvania must be certified by the Department of Environmental Protection. Information about radon and about certified testing or mitigation firms is available through DEP, Bureau of Radiation Protection, 13th Floor, Rachel Carson State Office Building, P.O. Box 8469, Harrisburg, PA 17105-8469, (800) 23RADON or (717) 783-3594.

INFORMATION REGARDING THE HOME INSPECTION LAW 68 Pa. C.S.A. §7501, et. seq.

Applicability: In general, the Home Inspection Law applies to residential real estate transfers. A residential real estate transfer is defined as a sale, exchange, installment sales contract, lease with an option to buy, grant or other transfer of an interest in real property where **NOT LESS THAN ONE AND NOT MORE THAN FOUR RESIDENTIAL DWELLING UNITS** are involved. See Information Regarding The Real Estate Seller Disclosure Law (exceptions 1-8) for a list of exceptions to this general rule.

Home Inspection: A noninvasive, visual examination of some combination of the mechanical, electrical or plumbing systems or the structural and essential components of a residential dwelling designed to identify material defects in those systems and components, and performed for a fee in connection with or preparation for a proposed or possible residential real estate transfer. The term also includes any consultation regarding the property

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that is represented to be a home inspection or that is described by any confusingly similar term. The term does not include an examination of a single system or component of a residential dwelling such as, for example, its electrical or plumbing system or its roof. The term also does not include an examination that is limited to inspection for, or of, one or more of the following: wood destroying insects, underground tanks and wells, septic systems, swimming pools and spas, alarm systems, air and water quality, tennis courts and playground equipment, pollutants, toxic chemicals and environmental hazards. The scope of a home inspection, the services to be performed and the systems and conditions to be inspected or excluded from inspection may be defined by a contract between the home inspector and the client.

Home inspection report: A written report on the results of a home inspection.

A home inspection report must be in writing and shall include:

- (1) A description of the scope of the inspection, including without limitation an identification of the structural elements, systems and subsystems covered by the report.
- (2) A description of any material defects noted during the inspection, along with any recommendation that certain experts be retained to determine the extent of the defects and any corrective action that should be taken. A "material defect" that poses an unreasonable risk to people on the property shall be conspicuously identified as such.

A home inspector shall not express either orally or in writing an estimate of the cost to repair any defect found during a home inspection, except that such an estimate may be included in a home inspection report if:

- (1) the report identifies the source of the estimate;
- (2) the estimate is stated as a range of costs; and
- (3) the report states that the parties should consider obtaining an estimate from a contractor who performs the type of repair involved.

The seller shall have the right, upon request, to receive without charge a copy of a home inspection report from the person for whom it was prepared.

Home inspector: An individual who performs a home inspection.

National home inspectors association: Any national association of home inspectors that:

- (1) Is operated on a not-for-profit basis and is not operated as a franchise.
- (2) Has members in more than ten states.
- (3) Requires that a person may not become a full member unless the person has performed or participated in more than 100 home inspections and has passed a recognized or accredited examination testing knowledge of the proper procedures for conducting a home inspection.
- (4) Requires that its members comply with a code of conduct and attend continuing professional education classes as an ongoing condition of membership.

A buyer shall be entitled to rely in good faith, without independent investigation, on a written representation by a home inspector that the home inspector is a full member in good standing of a national home inspection association.

Material defect: A problem with a residential real property or any portion of it that would have a significant adverse impact on the value of the property or that involves an unreasonable risk to people on the property. The fact that a structural element, system or subsystem is near, at or beyond the end of the normal useful life of such a structural element, system or subsystem is not by itself a material defect.

EXPERTISE OF REAL ESTATE AGENTS

Pennsylvania Real Estate Agents are required to be licensed by the Commonwealth of Pennsylvania and are obligated to disclose adverse factors about a property that are reasonably apparent to someone with expertise in the marketing of real property.

- (A) If Buyer wants information regarding specific conditions or components of the property which are outside the Agent's expertise, the advice of the appropriate professional should be sought.
- (B) If Buyer wants financial, legal, or any other advice, Buyer is encouraged to seek the services of an accountant, lawyer, or other appropriate professional.

COMMUNICATIONS WITH BUYER AND/OR SELLER

Wherever the Agreement contains a provision that requires or allows communication/delivery to a Buyer, said provision shall be satisfied by communication/delivery to the Broker for Buyer, if any. If there is no Broker for Buyer, all such provisions may be satisfied only by communication/delivery being made directly to the Buyer, unless otherwise agreed to by the parties.

Wherever the Agreement contains a provision that requires or allows communication/delivery to a Seller, said provision shall be satisfied by communication/delivery to the Broker for Seller, if any. If there is no Broker for Seller, all such provisions may be satisfied only by communication/delivery being made directly to the Seller, unless otherwise agreed to by the parties.

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