

SECTION I

THE VIRGINIA REAL ESTATE COMMISSION

PUBLIC REPORT



RUTH J. HERRINK
Director
WILLIAM W. DENNIS, JR.
Deputy Director
WILLIAM H. FOWLKES, JR.
Executive Director

COMMONWEALTH of VIRGINIA
VIRGINIA REAL ESTATE COMMISSION
2 South Ninth Street, P. O. Box 1-X, Richmond, Virginia 23202

COMMISSIONER:
GEORGE C. WALKER
Chairman
PEYTON KLOPFENS
Vice Chairman
CHARLES R. FOXX
NEVILLE C. JOHNS
HELEN A. KENT

FINAL
HORIZONTAL PROPERTY REGIME
(CONDOMINIUM)
PUBLIC REPORT

SUBSTITUTE

Hathaway Tower
2956 Hathaway Road
Richmond, Virginia 23225

Registration Number 72-5S1

IMPORTANT - Read This Report Before Buying
This Report Is Not An Approval Or Disapproval

THIS REPORT PRESENTS INFORMATION PROVIDED THE REAL ESTATE COMMISSION BY THE DEVELOPER AND GAINED FROM THE COMMISSION'S ON-SITE INSPECTION OF THIS PROJECT. THIS REPORT, BASED ON A PRINCIPLE OF DISCLOSURE, IS ISSUED BY THE COMMISSION FOR THE PURPOSE OF PREVENTING FRAUD, MISREPRESENTATION OR DECEIT.

THE DEVELOPER SHALL NOT ENTER INTO A BINDING CONTRACT OR AN AGREEMENT FOR SALE OF ANY UNIT IN THE CONDOMINIUM PROJECT UNTIL:

- (1) A COPY OF THIS REPORT HAS BEEN GIVEN TO THE PROSPECTIVE PURCHASER,
- (2) THE LATTER HAS BEEN GIVEN AN OPPORTUNITY TO READ SAME, AND,
- (3) HIS RECEIPT HAS BEEN TAKEN THEREFOR.

CONCEPT OF CONDOMINIUM OWNERSHIP

Under the condominium concept of ownership, each unit in a multiple unit building or community may be owned by a different owner. In addition to his unit, each owner also owns, in common with all other owners of units, common elements of the project including, in most instances, the land, parking facilities, stairs and elevators, lobbies, supporting walls, utility lines, pipes, etc.

An owner has most of the rights of any other property owner. He may mortgage, rent, sell, or dispose of his unit including his portion of the common elements in any way short of destroying it. There are usually restrictions on exterior changes or alterations that will affect other units. The owner of a residential condominium unit has the same tax advantages as the owner of any other home. He may deduct from his income for tax purposes the real estate taxes he pays on the unit and the interest he pays on any mortgage or deed of trust on the unit. If he rents the unit to a tenant, he has the additional business deductions allowable to landlords.

Each owner of a unit becomes a member of the Council of Co-Owners, or Unit Owner's Association which usually manages the common elements of the project through a Board of Directors of Trustees. Many Boards of Directors employ professional management agents.

A necessary step in establishing a condominium project is the recording of a Master Deed or Master Lease in the land records of the county or city in which the project is located. Recorded with the Master Deed or Lease are By-Laws, or House Rules, governing the operation of the Council of Co-Owners.

Each owner is required to make payments to the Council of Co-Owners, usually monthly, to meet common expenses. This payment is constituted as a lien superior to all other liens other than liens for real estate taxes and first mortgages or first deed of trust financing.

Residential condominium projects may include high-rise buildings, garden apartments, townhouses, or even detached homes.

While condominiums were popular as far back in history as the ancient Roman Empire and have been used extensively in Europe and South America, they have been common in the United States only in recent years.

In 1962, the Virginia General Assembly enacted the "Horizontal Property Act," Section 55-79 of the Code of Virginia, permitting condominium development in Virginia. This report of the Virginia Real Estate Commission has been issued pursuant to that Act and subsequent amendments.

The Master Deed creating the Hathaway Tower Condominium was recorded before the effective date of the Virginia Condominium Act passed in 1974, so the Condominium is not subject to some provisions of that Act.

The Hathaway Tower condominium project is located at 2956 Hathaway Road, Richmond, Virginia 23225.

The project is being developed by First-Hathaway, Inc., 20 Pine Street, New York, New York 10005. President: Myron J. Berman

Attorney for the developer is McGuire, Woods & Battle, 1400 Ross Building, Richmond, Virginia 23219. (804) 644-4131.

This project, covering 4 acres, is owned by the developer under a deed recorded among those land records of the Circuit Court, City of Richmond, Virginia, in Deed Book 497, at Page 43. The land will be conveyed to purchasers of units as part of the common elements of the condominium regime.

The project consists of 143 residential units ranging in size from 1379 to 1729 square feet of space.

The developer has advised the Real Estate Commission that it is his intention to sell units; however, the developer reserves the right to lease the units owned by it.

The project has been approved for construction pursuant to Special Use Ordinance No. 71-213-255. Building permits for the construction were granted by City of Richmond authorities under this ordinance on June 8, 1972. Construction began in (1972) and is expected to be completed by May, 1978.

The developer contemplates completion of this project by contracting directly with a number of contractors and/or subcontractors.

Architect for the project is Thomas A. Gresham, AIA, Brown & Gresham Associated Architects, 106 East Cary Street, Richmond, Virginia, holding Virginia Registration Number 1227.

Mechanical engineer for the project is Dubovsky Engineering, Post Office Box 1211, Richmond, Virginia holding Virginia Registration Number 2924.

No provision for merger of this condominium with other existing or planned condominiums has been made.

ENCUMBRANCES

All the 126 units owned by the developer in this project are encumbered by a deed of trust dated February 1, 1972 and recorded in the Clerk's Office of the Circuit Court (Division II) of the City of Richmond, Virginia, in Deed Book 394, at page 233, as amended by amended deed of trust dated April 27, 1973 and recorded in the aforesaid Clerk's Office in Deed Book 424 at page 47 to secure construction financing by Great American Management and Investment, a Massachusetts business trust in the aggregate principal sum of \$5,750,000 and interest.

MASTER DEED

The Master Deed and supporting documents establishing Hathaway Tower condominium project were filed among the land records of the City of Richmond on February 1, 1972, in Deed Book 424, on page 45, and amended by Amendment No. 1 to the Declaration of Condominium of Hathaway Tower dated February 25, 1976 and recorded in the Clerk's Office of the Circuit Court (Division II) of the City of Richmond in Deed Book 484, on Page 540, and amended by Amendment No. 2 to the Declaration of Condominium of Hathaway Tower dated October 19, 1976, recorded December 8, 1976, in Deed Book 498, page 594, and amended by Amendment No. 3 to the Declaration of Condominium of Hathaway Tower, dated January 30, 1978, recorded February 9, 1978, in Deed Book 529, page 414.

INSURANCE

The Master Deed provides in Article 8 that the Council of Co-Owners shall maintain fire and extended coverage insurance in an amount equal to the maximum insurable replacement value of the project, public liability insurance and workmen's compensation insurance. Owners of individual units may obtain additional insurance provided it does not decrease the amount which the Council of Co-Owners may realize from its policy.

In the event of damage to a unit, the owner of the unit is required to commence repairs within a reasonable length of time. Proceeds received by the Council of Co-Owners under its insurance policy as a result of the damage to the unit shall be paid to the owner of the unit as repairs proceed.

In the event apartments to which 50% of the common elements are appurtenant, are substantially damaged or destroyed, a decision to reconstruct or repair may be made by a vote of the owners of 75% of the common elements. If a decision is made not to reconstruct or repair, the condominium shall be terminated and the project will be subject to action for partition at the suit of any co-owner.

CONTROL

The first election of directors was held on November 21, 1971. Subsequent annual Co-Owners meetings will take place on the first Monday of November of succeeding years. (By-Laws, Article 2, Sec. .1).

The By-Laws provide in Article 3, Section .1, that a Board of Directors will govern the affairs of the Council of Co-Owners. The Board of Directors is elected by the Council of Co-Owners and consists of 7 persons, all of whom must be owners of units in the project except that until apartments to which 50% or more of the total votes appertain are sold, the developer will, through its voting rights, control the project through the Council of Co-Owners.

A President, Vice-President, Secretary, Treasurer, and Assistant Secreta are to be elected by the Board of Directors. (By-Laws, Article 5, Sec. .1).

As of the writing of this report, the Board of Directors was controlled by the developer.

MANAGEMENT

The Articles of Incorporation of Hathaway Association, Inc. permit in Article IV, Section i, the appointment of a professional manager. A professional manager has not been designated. It is the intention of the Association to manage the condominium through its officers, directors, employees or agents.

SALES

Sale of the units in the project will be made by Hermitage Realty, Inc., 5520-B Lakeside Avenue, Richmond, Virginia 23228, Realtors, (License number 13302), licensed brokers and sales may be made by its licensed agents.

Deposits given the developer or real estate agent by purchasers with their purchase contracts will be placed in an escrow account with McGuire, Woods & Battle, attorneys, and held until consummation of the transfer of title to the purchaser. In event the purchaser is unable to obtain mortgage financing and notifies the seller in accordance with the contract, his deposit will be returned to him and the contract declared null and void.

The developer contemplates that purchasers will arrange their own financing.

Upon settlement, the developer will give the purchaser a General Warranty Deed to his unit and his undivided portion of the common elements.

USE OF UNITS

Use categories permitted for units are residential. The Master Deed provides that units in the project may be used for residential purposes only and may not be leased by unit owners other than the developer without the Association's approval.

WARRANTIES

The developer warrants against specified construction defects for one year in individual units and gives a limited equipment warranty with respect to the heating and air-conditioning equipment. Certain other equipment is under manufacturer's warranty and purchaser must look to the manufacturer for warranty performance. The warranties and exclusions from warranties are specifically described in the developer's Purchase Agreement and Receipt for Condominium Documents.

MONTHLY PAYMENTS

At the time of signing of a purchase agreement, the developer will give the purchaser an estimate of the monthly payments he will be required to make to the Council of Co-Owners for common expenses and for contribution to reserve funds for replacement and repair of common elements. This estimate is based on a budget prepared by the developer and which is available to the purchaser for his inspection. This is only an estimate and is subject to change by the Council of Co-Owners.

Real estate tax assessments on units for the year 1977 have been made by the City of Richmond.

NOTICE

ISSUANCE OF THIS SUBSTITUTE FINAL PUBLIC REPORT ON THIS PROJECT BY THE VIRGINIA REAL ESTATE COMMISSION UNDER SECTION 55-79 OF THE CODE OF VIRGINIA PERMITS SALE OF UNITS IN THIS PROJECT THROUGH CONTRACTS BINDING ON THE PURCHASER.

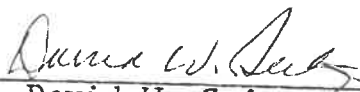
HOWEVER, THE PURCHASER MUST BE GIVEN AN OPPORTUNITY TO READ THIS REPORT AND THE DEVELOPER MUST OBTAIN A RECEIPT FROM HIM SAYING THAT HE HAS READ IT.

THE DEVELOPER, AFTER SUBMITTING HIS APPLICATION FOR THIS REPORT, MAY NOT MATERIALLY CHANGE THE SET-UP OR VALUE OR USE OF THE PROJECT WITHOUT FIRST NOTIFYING THE COMMISSION AND PURCHASERS AND PROSPECTIVE PURCHASER IN WRITING OF SUCH INTENDED CHANGE.

SALE OF A UNIT BY THE UNIT OWNER REQUIRES THE APPROVAL OF THE HATHAWAY ASSOCIATION, INC., WITHIN 30 DAYS AFTER MAKING SUCH INTENTION KNOWN. (MASTER DEED, ARTICLE II, SEC. .1-3).

THE INFORMATION IN THIS REPORT IS BASED ON AFFIDAVITS ON FILE WITH THE VIRGINIA REAL ESTATE COMMISSION IN ITS EXECUTIVE OFFICES IN RICHMOND, VIRGINIA. IT IS SUMMARY AND NOT INCLUSIVE OF ALL FACTS RELATED TO THIS PROJECT. THE COMMISSION HAS NOT VERIFIED ALL INFORMATION PROVIDED TO IT AND DOES NOT PRESENT THIS REPORT AS BEING NECESSARILY ACCURATE OR ADEQUATE IN ALL RESPECTS.

SIGNED THIS 14th day of April, 1978, for the Virginia Real Estate Commission.



David W. Seitz
Condominium Administrator