

BY-LAWS OF:
FARMVIEW COMMUNITY
HOMEOWNERS ASSOCIATION, INC.

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BYLAWS OF FARMVIEW COMMUNITY HOMEOWNERS ASSOCIATION

Dated:

INTRODUCTORY PROVISIONS

1 Applicability

These Bylaws provide for the governance of the Association pursuant to the requirements of Section 5306 of the Act with respect to the Planned Community created by the recording of the Declaration among the land records of Lancaster County in _____.

2 Definitions

Capitalized terms used herein without definition shall have the meanings specified for these terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for these terms in the Act.

3 Compliance

Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.

4 Office

The office of the Planned Community, the Association, and the Executive Board shall be located on the Property or at such other place as may be designated from time to time by the Executive Board.

5 Incorporation of Statutory Law

Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania (15 Pa. Cons. Stat. §§ 5101-5998), as it may be amended from time to time, hereinafter referred to as the "Corporation Law." The "Board of Directors" described therein shall be referred to herein and in the Declaration as the "Executive Board."

THE ASSOCIATION

6 Composition

The Association is hereby organized on this date as a nonprofit corporation. The

Association shall consist of all of the Unit Owners acting as a group in accordance with the Act, the Declaration and these Bylaws. The Association shall have the responsibility of administering the Planned Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Planned Community and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board or Managing Agent as more particularly set forth in these Bylaws.

7 Annual Meetings

The annual meetings of the Association shall be held on the third Thursday of September of each year unless this date occurs on a holiday, in which event the meeting shall be held on the succeeding Tuesday. At the annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of these Bylaws and any other business as may properly come before the meeting may be transacted.

8 Place of Meetings

Meetings of the association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.

9 Special Meetings

9.1 The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least 25 percent of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within forty-five days after receipt by the President of said resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure such meeting shall be held within fifteen days after receipt by the President of said resolution or petition and in all events prior to the expiration of the thirty day time period referred to in these Bylaws. No business shall be transacted at a special meeting except as stated in the notice.

9.2 Within sixty days after conveyance of 25 percent of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which one of the three members of the Executive Board designated by the Declarant shall resign (such member to be selected by the Declarant), and the Unit Owners, excluding the Declarant as a Unit Owner, shall then elect a successor member of the Executive Board to act in the place and stead of the member resigning. The successor member shall serve until the annual meeting of the Association following the meeting at which he was elected.

9.3 Within sixty days immediately preceding the date by which all Declarant

appointed members of the Executive Board must resign pursuant to the Declaration, a special meeting of the Association shall be held at which all of the members of the Executive Board designated by the Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall then elect successor members of the Executive Board to act in the place and stead of those resigning. The successor member receiving the highest number of votes shall serve until the second annual meeting of the Association following the date of the election of the successor to the member elected pursuant to Subparagraph 9.2, above, and the successor member receiving the next highest number of votes shall serve until the first annual meeting of the Association following the date of the election of the successor to the member elected pursuant to Subparagraph 9.2, above.

9.4 Notwithstanding the foregoing, if any meeting required pursuant to Subparagraphs 9.2 and 9.3, above, could be held on the date an annual meeting of the Association is scheduled, then this meeting shall be held concurrently with the annual meeting.

10 Notice of Meetings

The Secretary shall give to each Unit Owner a notice of each annual or regularly scheduled meeting of the Association at least twenty but not more than sixty days, and of each special meeting of the Unit Owners at least ten but not more than forty-five days, prior to the meeting, stating the time, place and purpose thereof.

11 Adjournment of Meetings

If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at the meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.

12 Voting

Each Unit in the Community shall have one vote associated with such Unit. If the owner of a Unit is a corporation, joint venture, partnership or unincorporated association, the Person who shall be entitled to cast the vote for the Unit shall be the Person named in a certificate executed by such entity pursuant to its governing documents. If the owner of a Unit is a trust, the trustee or trustees shall be deemed to be the Owner for voting purposes. When the ownership of a Unit is in more than one Person, the Person who shall be entitled to cast the vote of this Unit shall be the Person named in a certificate executed by all of the owners of the Unit and filed with the Secretary or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of the Unit shall be the Person owning such Unit who is present. If more than one Person owning such Unit is present, then the vote shall be cast only in accordance with their unanimous agreement pursuant to Section 5310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the

other Owners of the Unit. The certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, whenever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Declaration or these Bylaws, the owners of more than 50 percent of the aggregate Percentage Interests in the Planned Community voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association. In all elections for Executive Board members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owner as provided in the Declaration. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

13 Proxies

A vote may be cast in person or by proxy. If a Unit is owned by more than one Person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a holder of a mortgage on a Unit or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of written notice of revocation from the grantor of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

14 Quorum

Except as set forth below, the presence in person or by proxy of Unit Owners of 20 percent or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Unit Owners Association. If a meeting is adjourned pursuant to these bylaws, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast 10 percent of the votes which may be cast for the election of the Executive Board are present in person or by proxy at the beginning of the meeting.

15 Conduct of Meetings

The President (or in his absence, one of the Vice-Presidents) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

16 Architectural Review

The Declarant shall maintain the right to review any exterior alteration of a Unit by a Unit Owner until all Units have been conveyed. Upon the sale of the last Unit, the right to review any exterior alteration of a Unit shall vest in the Executive Board. The Executive Board may vest said right in an Architectural Review Committee for the Association to be comprised of Members of the Association. The number, composition, and qualifications to serve shall be determined by the Executive Board upon creation of the Committee

Executive Board

17 Number and Qualification

The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of three natural persons, all of whom shall be Unit Owners or designees of the Declarant.

18 Delegation of Powers and Managing Agent

The Executive Board may employ for the Planned Community a "Managing Agent" at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, when a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

18.1 to adopt the annual budget and any amendment thereto or to assess any Common Expenses;

18.2 to adopt, repeal or amend Rules and Regulations;

18.3 to designate signatories on Association bank accounts;

18.4 to borrow money on behalf of the Association;

18.5 to acquire and mortgage Units;

18.6 to designate Reserved Common Elements;

18.7 to allocate Limited Common Elements.

18.8 Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty days' written notice and without cause on no more than, ninety days' written notice. The term of any such contract may not exceed one year.

19 Election and Term of Office

19.1 At the annual meetings of the Association, subject to the Declaration, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected (except as otherwise set forth in these Bylaws shall be fixed at three years. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

19.2 Persons qualified to be members of the Executive Board may be nominated for election only as follows:

19.2.1 Any Unit Owner may submit to the Secretary at least thirty days before the meeting at which the election is to be held a nominating petition signed by Unit Owners owning at least five Units in the aggregate, together with a statement that the person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting; and

19.2.2 Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Executive Board for which no more than one person has been nominated by petition.

20 Removal or Resignation of Members of the Executive Board

Except with respect to members designated by Declarant, at any regular or special meeting of the Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Unit Owners entitled to cast a majority of all votes in

the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least ten days' notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit. Declarant shall have the right to remove and replace any or all members appointed by Declarant at any time and from time to time until the required resignation date specified in the Declaration.

21 Vacancies

Except as set forth in these Bylaws above with respect to members appointed by Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

22 Organization Meeting

The first meeting of the Executive Board following each annual meeting of the Association shall be held within ten days thereafter at such time and place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

23 Regular Meetings

Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least once every six months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail three business days prior to the day named for such meeting.

24 Special Meetings

Special meetings of the Executive Board may be called by the President on at least three

business days' notice to each member, given by mail or telegraph. The notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Executive Board.

25 Waiver of Notice

Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

26 Quorum of the Executive Board

At all meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

27 Compensation

No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties.

28 Conduct of Meetings

The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

29 Action Without Meeting

Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any written consent shall be filed with the minutes of the proceedings of the Executive Board.

30 Validity of Contracts with Interested Executive Board Members

No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm, or association in which one or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

30.1 The fact that an Executive Board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

30.2 The Contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

31 Inclusion of Interested Executive Board Members in the Quorum

Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in this Article.

OFFICERS

32 Designation

The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.

33 Election of Officers

The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.

34 Removal of Officers

Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for this purpose.

35 President

The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall cease holding this office at such time as he ceases to be a member of the Executive Board.

36 Vice President

The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other member of the Executive Board to act in the place of the President, on an interim basis. The Vice President shall also perform any other duties as shall from time to time be delegated or assigned him by the Executive Board or by the President. The Vice President shall cease holding this office at such time as he ceases to be a member of the Executive Board.

37 Secretary

The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and holders of mortgagees on any Units hereunder shall be delivered and, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any Person, or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to the Act and these Bylaws. Add, if desired: To the extent permitted by the Act, the Secretary may impose a reasonable charge for the preparation of any such statement

and/or certification and the reproduction of such documents in order to cover the cost of the preparation and reproduction.

38 Treasurer

The Treasurer shall have the responsibility for the safekeeping of Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board and, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of Pennsylvania.

39 Execution of Documents

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$5,000 shall be executed by any two officers of the Association. All such instruments for expenditures or obligations of \$5,000 or less may be executed by any one officer of the Association.

40 Compensation of Officers

No officer who is also a member of the Executive Board shall receive any compensation from the Association for acting as an officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines the compensation to be appropriate.

COMMON EXPENSES AND BUDGETS

41 Fiscal Year

The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

42 Preparation and Approval of Budget

42.1 On or before the first day of November of each year sixty days before the beginning of the fiscal year if the fiscal year is other than the calendar year, the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the Common Elements and those parts of the Units which it is the responsibility

of the Executive Board to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. The budget shall segregate General Common Expenses and Limited Expenses.

42.2 On or before the next succeeding fifth day of November fifty-five days before the beginning of the fiscal year if the fiscal year is other than the calendar year, the Executive Board shall make the budget available for inspection at the Association office and within three business days of such adoption shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owners' assessments for General Common Expenses and Limited Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to these Bylaws.

42.3 Within thirty days after the creation of Units on any Convertible Real Estate or on any Additional Real Estate or the expiration or elimination of any right of the Declarant to withdraw Withdrawable Real Estate, the Executive Board shall revise the budget to reflect changes in General Common Expenses and Limited Expenses resulting from such addition, conversion or expiration or termination of rights to withdraw Withdrawable Real Estate and to reflect the proportionate liability of all Units for General Common Expenses and Limited Expenses for the remainder of the fiscal year in which such events occur. The amount of assessments attributable to each Unit thereafter shall be the amount specified in the adjusted budget, until a new budget shall have been adopted by the Executive Board.

42.4 The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with these deadlines shall not be a condition precedent to the effectiveness of any budget.

43 Assessment and Payment of Common Expenses

43.1 The Executive Board shall calculate the monthly assessments for General Common Expenses against each Unit by multiplying (1) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any Limited Expenses and income expected to be received from sources other than Common Expense assessments and the operation of the Limited or Reserved Common Elements to which the Limited Expenses pertain, by (2) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (3) the number of calendar months in such fiscal year. Such assessments shall be deemed to have

been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month, and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within ninety days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to General Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable in one or more monthly assessments, as the Executive Board may determine.

43.2 Limited Expenses

The Executive Board shall calculate the monthly assessments for Limited Expenses against each Unit obligated to pay Limited Expenses by multiplying (1) the total amount of the estimated funds required for Limited Expenses set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from the operation of the Limited or Reserved Common Elements to which the Limited Expenses pertain other than Limited Expense Assessments by (2) the share of Limited Expenses (expressed in decimal form) allocated to each such Unit, and dividing the resultant product by (3) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within ninety days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Limited Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners obligated to pay Limited Expenses in accordance with their allocable share of Limited Expenses and shall be payable in one or more monthly assessments, as the Executive Board may determine.

43.3 Reserves

The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including nonpayment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expense and/or Limited Expense which shall be assessed against the Unit Owners either according to their respective Percentage Interests with regard to General Common

Expenses or in accordance with allocable shares of Limited Expenses with regard to Limited Expenses (whichever is appropriate), and shall be payable in one or more monthly assessments as the Executive Board may determine.

44 Further Assessments

The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to this Article or otherwise as permitted or required by the Act, the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Paragraphs of this Article.

45 Initial Budget

At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided in this Article.

46 Effect of Failure to Prepare or Adopt Budget

The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

47 Accounts and Audits

All sums collected by the Executive Board with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Executive Board.

48 Budget and Expenditures

The Association, by a majority vote of all votes in the Association, may reject any budget

or capital expenditure approved by the Executive Board, within thirty days after approval by the Executive Board. The power of the Executive Board to expend funds, incur expenses or borrow money on behalf of the Association is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to (a) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than 5 percent of such aggregate amount after taking into account any projected increases in income, and (b) to borrow money so that loans of the Association then outstanding would exceed 5 percent of such aggregate amount.

49 Payment of Common Expenses

Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Paragraph. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five days following a written request therefor to the Executive Board or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth. Subject to Section 3315(b)(2) of the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

50 Collection of Assessments

The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment not paid within five days after its due date shall accrue a late charge in the amount of 15 percent of the overdue assessment in addition to interest at the rate of 15 percent per annum or such other rate as may be determined by the Executive Board.

51 Statement of Common Expenses

The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses and Limited Expenses due from each Unit Owner as required by the terms of Section 5315(g) of the Act, or the certificate and documents required by the terms of Section 5407 of the Act. To the extent permitted by the Act, the Executive Board may impose a reasonable charge for the preparation of such statement and/or certificate and the reproduction of these documents in order to cover the cost of the preparation and reproduction.

COMPLIANCE AND DEFAULT

52 Relief

Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the following relief:

53 Additional Liability

53.1 Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect, or carelessness, or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

53.2 Costs and Attorney's Fees

In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorney's fees as may be determined by the court.

53.3 No Waiver of Rights

The failure of the Association, the Executive Board, or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Executive Board Rules and Regulations, or the Act shall not constitute a waiver of the right of the Association, the Executive Board, or the Unit Owner to enforce such right,

provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board, or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, the Rules and Regulations, or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, the Rules and Regulations or the Act, or at law or in equity.

53.4 Abating and Enjoining Violations by Unit Owners

The violation of any of the Executive Board Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein, or the breach of any provision of the Declaration or the Act shall give the Executive Board the right, in addition to any other rights: (1) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

AMENDMENTS

54 Amendments to Bylaws

These Bylaws may be modified or amended only by vote of Unit Owners entitled to cast a majority of the votes in the Association, except as otherwise expressly set forth herein or in the Act; provided, however, that until the date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to the Declaration, may not be amended without the consent in writing of Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to Planned Community projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

55 Approval of Mortgages

These Bylaws contain provisions concerning various rights and interests of record holders of mortgages on Units. Provisions in these Bylaws are to be construed as covenants for the protection of the holders on which they may rely in making loans secured by mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting the rights, priorities, remedies or interests of a holder shall be adopted without the prior written consent of the holders who have registered an address with the Secretary.

56 Amendments to the Declaration

Any three officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

MISCELLANEOUS

57 Notices

All notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (a) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (b) if to the Association, the Executive Board or to the Managing Agent, if any, at the principal office of the Managing Agent, if any, or at such address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

58 Captions

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

59 Gender

The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

These Bylaws are adopted this ____ day of March, 2019.

DECLARANT

STRONG HOLDINGS, LLC, a Pennsylvania
Limited Liability Company

By: _____
David Strong, Member

STANDARD AGREEMENT FOR THE SALE OF NEW CONSTRUCTION

ASNC

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

PARTIES

| | |
|--|---|
| BUYER(S): _____ _____ _____ | SELLER(S): _____ _____ _____ |
| BUYER'S MAILING ADDRESS: _____ _____ _____ | SELLER'S MAILING ADDRESS: _____ _____ _____ |

PROPERTY

Subdivision, Phase, Model _____
Property Address (including postal city) _____ ZIP _____,
in the municipality of _____, County of _____,
in the School District of _____, in the Commonwealth of Pennsylvania.
Tax ID #(s): _____ and/or
Identification (e.g., Parcel #; Lot, Block; Deed Book, Page, Recording Date): _____

BUYER'S RELATIONSHIP WITH PA LICENSED BROKER

No Business Relationship (Buyer is not represented by a broker)

| | |
|---|---|
| Broker (Company) _____ _____ _____ Company License # _____ Company Address _____ _____ Company Phone _____ Company Fax _____ Broker is (check only one): <input type="checkbox"/> Buyer Agent (Broker represents Buyer only) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below) | Licensee(s) (Name) _____ _____ State License # _____ Direct Phone(s) _____ Cell Phone(s) _____ Email _____ Licensee(s) is (check only one): <input type="checkbox"/> Buyer Agent (all company licensees represent Buyer) <input type="checkbox"/> Buyer Agent with Designated Agency (only Licensee(s) named above represent Buyer) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below) |
| <input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Buyer) | |

SELLER'S RELATIONSHIP WITH PA LICENSED BROKER

No Business Relationship (Seller is not represented by a broker)

| | |
|---|---|
| Broker (Company) _____ _____ _____ Company License # _____ Company Address _____ _____ Company Phone _____ Company Fax _____ Broker is (check only one): <input type="checkbox"/> Seller Agent (Broker represents Seller only) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below) | Licensee(s) (Name) _____ _____ State License # _____ Direct Phone(s) _____ Cell Phone(s) _____ Email _____ Licensee(s) is (check only one): <input type="checkbox"/> Seller Agent (all company licensees represent Seller) <input type="checkbox"/> Seller Agent with Designated Agency (only Licensee(s) named above represent Seller) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below) |
| <input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Seller) | |

DUAL AND/OR DESIGNATED AGENCY

A Broker is a Dual Agent when a Broker represents both Buyer and Seller in the same transaction. A Licensee is a Dual Agent when a Licensee represents Buyer and Seller in the same transaction. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agents for Buyer and Seller. If the same Licensee is designated for Buyer and Seller, the Licensee is a Dual Agent.

By signing this Agreement, Buyer and Seller each acknowledge having been previously informed of, and consented to, dual agency, if applicable.

Buyer Initials: _____

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Seller Initials: _____



Pennsylvania Association of Realtors®

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rel. 1/18; rel. 4/18

1 **1. By this Agreement**, dated _____,
2 Seller hereby agrees to sell and convey to Buyer, who agrees to purchase Property lot or piece of ground (check here if lot
3 is not being conveyed) with buildings and improvements to be erected thereon.

4 **2. PURCHASE PRICE AND DEPOSITS (9-15)**

5 (A) Purchase Price \$ _____
6 (_____

7 _____ U.S. Dollars), to be accounted for as follows:
8 1. Base Price \$ _____
9 2. Lot Premium, if any \$ _____
10 3. Total Options/Extras/Alterations (see attached addendum) \$ _____

11 (B) Purchase Price will be paid by Buyer to Seller as follows:

12 1. Initial deposit, within _____ days (5 if not specified) of Execution Date,
13 if not included with this Agreement: \$ _____
14 2. Additional Deposit within _____ days of the Execution Date of this Agreement: \$ _____
15 3. Non-refundable deposit (for pre-paid extras, options, alterations, etc.)
16 payable directly to seller on or before _____ \$ _____
17 4. _____ \$ _____
18 5. _____ \$ _____
19 6. _____ \$ _____

20 Remaining balance will be paid at settlement.
21 (C) All funds paid by Buyer, including deposits, will be paid by check, cashier's check or wired funds. All funds paid by Buyer
22 within 30 DAYS of settlement, including funds paid at settlement, will be by cashier's check or wired funds, but not by per-
23 sonal check.

24 (D) Deposits, regardless of the form of payment and the person designated as payee, will be paid in U.S. Dollars to Broker for Seller
25 (unless otherwise stated here: _____),
26 who will retain deposits in an escrow account in conformity with all applicable laws and regulations until consummation or ter-
27 mination of this Agreement. Only real estate brokers are required to hold deposits in accordance with the rules and regulations of
28 the State Real Estate Commission. Checks tendered as deposit monies may be held uncashed pending the execution of this Agree-
29 ment.

30 **3. SELLER ASSIST (If Applicable) (2-12)**
31 Seller will pay \$ _____ or _____ % of Purchase Price (0 if not specified) toward Buyer's
32 costs, as permitted by the mortgage lender, if any. Seller is only obligated to pay up to the amount or percentage which is approved by
33 mortgage lender.

34 **4. SETTLEMENT AND POSSESSION (9-15)**

35 (A) Settlement Date is _____, or before if Buyer and Seller agree.

36 (B) Settlement will occur in the county where the Property is located or in an adjacent county, during normal business hours, unless
37 Buyer and Seller agree otherwise.

38 (C) At time of settlement, the following will be pro-rated on a daily basis between Buyer and Seller, reimbursing where applicable:
39 current taxes; condominium fees and homeowner association fees; water and/or sewer fees, together with any other lienable municipal
40 service fees. All charges will be pro-rated for the period(s) covered. Seller will pay up to and including the date of settlement and
41 Buyer will pay for all days following settlement, unless otherwise stated here: _____
42

43 (D) For purposes of prorating real estate taxes, the "periods covered" are as follows:
44 1. Municipal tax bills for all counties and municipalities in Pennsylvania are for the period from January 1 to December 31.
45 2. School tax bills for the Philadelphia, Pittsburgh and Scranton School Districts are for the period from January 1 to December 31.
46 School tax bills for all other school districts are for the period from July 1 to June 30.

47 (E) In Pennsylvania, taxing authorities (school districts and municipalities) and property owners may appeal the assessed value of a
48 property at the time of sale, or at any time thereafter. A successful appeal by a taxing authority may result in a higher assessed value
49 for the property and an increase in property taxes. Also, periodic county-wide property reassessments may change the assessed
50 value of the property and result in a change in property tax. Following settlement, the Property will be reassessed and Buyer will
51 receive an interim tax bill for the increased taxes due for the current tax period. This interim bill may not be covered by Buyer's tax
52 escrow with the lender, if any.

53 (F) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here: _____
54

55 (G) Payment of transfer taxes will be divided equally between Buyer and Seller unless otherwise stated here: _____
56

57 (H) Possession is to be delivered by deed, existing keys and physical possession to a vacant Property free of debris, with all structures
58 broom-clean, at day and time of settlement.

59 **5. DATES/TIME IS OF THE ESSENCE (9-15)**

60 (A) Written acceptance of all parties will be on or before: _____

61 (B) The Settlement Date and all other dates and times identified for the performance of any obligations of this Agreement are of the
62 essence and are binding.

63 (C) The Execution Date of this Agreement is the date when Buyer and Seller have indicated full acceptance of this Agreement by signing
64 and/or initialing it. For purposes of this Agreement, the number of days will be counted from the Execution Date, excluding the day

65 Buyer Initials: _____ ASNC Page 2 of 11 Seller Initials: _____

66 this Agreement was executed and including the last day of the time period. All changes to this Agreement should be initialed and
67 dated.

68 (D) The Settlement Date is not extended by any other provision of this Agreement and may only be extended by mutual written agreement
69 of the parties.

70 (E) Certain terms and time periods are pre-printed in this Agreement as a convenience to the Buyer and Seller. All pre-printed terms and
71 time periods are negotiable and may be changed by striking out the pre-printed text and inserting different terms acceptable to all
72 parties, except where restricted by law.

73 **6. ZONING (9-15)**

74 Failure of this Agreement to contain the zoning classification (except in cases where the property {and each parcel thereof, if subdividable}
75 is zoned solely or primarily to permit single-family dwellings) will render this Agreement voidable at Buyer's option, and, if voided, any
76 deposits tendered by the Buyer will be returned to the Buyer without any requirement for court action.

77 **Zoning Classification, as set forth in the local zoning ordinance:** _____

78 **7. CONSTRUCTION AND PERMITS (9-15)**

79 **(A) Schedule of Construction**

80 1. **Commencement Date:** Seller estimates that Seller will commence construction on or about _____.
81 Seller reserves the right to delay commencement of construction until Buyer has received and signed a valid mortgage com-
82 mitment in accordance with Paragraph 8.

83 2. **Completion Date:** Seller estimates completion of construction on or about _____. Buyer
84 acknowledges that the estimated Completion Date is made by Seller as an accommodation to Buyer to assist Buyer in formu-
85 lating future plans. If commencement, completion, and/or settlement are delayed due to inclement weather, strikes, delays in
86 issuance of permits, unavailability of labor or materials, or any other reason beyond Seller's control, all times and dates (includ-
87 ing settlement date) will be automatically extended accordingly and time is not deemed to be of the essence.

88 3. **Anticipated Settlement:** Settlement will be held on a date which is within _____ days (10 if not specified) after Seller sup-
89 plies Buyer with a written notice of settlement. However, at the time of settlement the house and premises will have been sub-
90 stantially completed. If the municipality or governmental authority requires a Use & Occupancy permit, Seller will provide one
91 at settlement.

92 4. **Settlement Deadline:** The previous paragraph notwithstanding. Should Seller be unable to settle on the Property in substantially
93 completed condition for which a Use & Occupancy permit has been issued (where required) on or before _____,
94 Buyer may terminate this Agreement and all deposit monies including amounts identified in paragraph 2 (B) of this Agreement
95 as non-refundable, will be returned to Buyer according to the terms of paragraph 23 of this Agreement.

96 **(B) Notices, Assessments and Government Requirements**

97 1. Seller will be responsible for any notice of improvements or assessments received on or before the date of settlement.

98 2. All necessary permits will be obtained and paid for by Seller prior to settlement.

99 3. Seller will comply with all restrictions and requirements imposed by any governmental authorities.

100 4. Access to a public road may require issuance of a highway occupancy permit from the Department of Transportation.

101 **(C) Landscaping and Driveway**

102 1. Seller will attempt to preserve as many of the existing trees or shrubs as reasonably possible during the construction of the im-
103 provements and house on the premises. It is expressly agreed that Seller does not guarantee or warrant the survival of any trees
104 or shrubs existing on the premises prior to construction. Any existing trees or shrubs that may die after settlement are the sole
105 responsibility of Buyer.

106 2. Seller will be responsible for top soil, rough grade, fine grade, seeding and stabilization unless otherwise stated here: _____

107
108 _____
109 Except as modified by the rules of the Homeowners Association or Condominium Association, if any, any soil washouts from
110 rain or melting snow or burnouts due to droughts after settlement are the sole responsibility of Buyer. Buyer is responsible for
111 watering, fertilizing and reseeding the lawn as necessary after settlement.

112 3. Buyer acknowledges that due to adverse weather conditions and other events beyond Seller's reasonable control, items including
113 the driveway surface, grading and seeding, exterior painting or staining, and exterior concrete surfaces may not be completed at
114 time of settlement. Unless otherwise agreed, no portion of the purchase price or option payments will be placed in an escrow ac-
115 count or withheld from Seller at settlement to compensate for incomplete items. Seller will complete the items within a reasonable
116 time after settlement as weather conditions permit.

117 4. This paragraph will survive settlement.

118 **(D) Substitutions**

119 **BUYER AND SELLER ACKNOWLEDGE THAT THE BUILDINGS AND IMPROVEMENTS ON THE PREMISES WILL**
120 **BE SUBSTANTIALLY SIMILAR TO THE ESTABLISHED BUILDING SPECIFICATIONS. BUYER ALSO ACKNOWL-**
121 **EDGES THAT SELLER HAS THE RIGHT TO MAKE SUBSTITUTIONS OF MATERIALS OR PRODUCTS OF SUB-**
122 **STANTIALLY EQUAL OR BETTER QUALITY AT SELLER'S SOLE DISCRETION, WITH NOTICE TO BUYER, AND**
THAT ACTUAL MATERIALS AND PRODUCTS MAY VARY FROM SAMPLE MATERIALS AND PRODUCTS.

123 Buyer Initials: _____

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Seller Initials: _____

124 **8. MORTGAGE CONTINGENCY (1-18)**

125 **WAIVED.** This sale is NOT contingent on mortgage financing, although Buyer may obtain mortgage financing and/or the parties may include an appraisal contingency.

126 **ELECTED.**

127 (A) This sale is contingent upon Buyer obtaining mortgage financing according to the following terms:

| First Mortgage on the Property | Second Mortgage on the Property |
|---|---|
| Loan Amount \$ _____ | Loan Amount \$ _____ |
| Minimum Term _____ years | Minimum Term _____ years |
| Type of mortgage _____ | Type of mortgage _____ |
| For conventional loans, the Loan-To-Value (LTV) ratio is not to exceed _____ % | For conventional loans, the Loan-To-Value (LTV) ratio is not to exceed _____ % |
| Mortgage lender _____ | Mortgage lender _____ |
| Interest rate _____ %; however, Buyer agrees to accept the interest rate as may be committed by the mortgage lender, not to exceed a maximum interest rate of _____ %. | Interest rate _____ %; however, Buyer agrees to accept the interest rate as may be committed by the mortgage lender, not to exceed a maximum interest rate of _____ %. |
| Discount points, loan origination, loan placement and other fees charged by the lender as a percentage of the mortgage loan (excluding any mortgage insurance premiums or VA funding fee) not to exceed _____ % (0% if not specified) of the mortgage loan. | Discount points, loan origination, loan placement and other fees charged by the lender as a percentage of the mortgage loan (excluding any mortgage insurance premiums or VA funding fee) not to exceed _____ % (0% if not specified) of the mortgage loan. |

144 (B) Upon receiving documentation demonstrating lender's approval, whether conditional or outright, of Buyer's mortgage application(s) according to the terms set forth above, Buyer will promptly deliver a copy of the documentation to Seller, but in any case no later than _____.

145 1. If Seller does not receive a copy of the documentation demonstrating lender's conditional or outright approval of Buyer's mortgage application(s) by the date indicated above, Seller may terminate this Agreement by written notice to Buyer. Seller's right to terminate continues until Buyer delivers documentation demonstrating lender's conditional or outright approval of Buyer's mortgage application(s) to Seller. Until Seller terminates this Agreement pursuant to this Paragraph, Buyer is obligated to make a good-faith effort to obtain mortgage financing.

146 2. Seller may terminate this Agreement by written notice to Buyer after the date indicated above if the documentation demonstrating lender's conditional or outright approval of Buyer's mortgage application(s):

147 a. Does not satisfy the terms of Paragraph 8(A), OR

148 b. Contains any condition not specified in this Agreement (e.g., the Buyer must settle on another property, an appraisal must be received by the lender, or the mortgage commitment is not valid through the Settlement Date) that is not satisfied and/or removed in writing by the mortgage lender(s) within 7 DAYS after the date indicated in Paragraph 8(B), or any extension thereof, other than those conditions that are customarily satisfied at or near settlement (e.g., obtaining insurance, confirming employment).

149 3. If this Agreement is terminated pursuant to Paragraphs 8(B)(1) or (2), or the mortgage loan(s) is not obtained for settlement, all deposit monies will be returned to Buyer according to the terms of Paragraph 23 and this Agreement will be VOID. Buyer will be responsible for any costs incurred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and any costs incurred by Buyer for: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation; (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees and charges paid in advance to mortgage lender(s).

150 (C) The Loan-To-Value ratio (LTV) is used by lenders as one tool to help assess their potential risk of a mortgage loan. A particular LTV may be necessary to qualify for certain loans, or buyers might be required to pay additional fees if the LTV exceeds a specific level. The appraised value of the Property may be used by lenders to determine the maximum amount of a mortgage loan. The appraised value is determined by an independent appraiser, subject to the mortgage lender's underwriter review, and may be higher or lower than the Purchase Price and/or market price of the property.

151 (D) The interest rate(s) and fee(s) provisions in Paragraph 8(A) are satisfied if the mortgage lender(s) gives Buyer the right to guarantee the interest rate(s) and fee(s) at or below the maximum levels stated. If lender(s) gives Buyer the right to lock in the interest rate(s), Buyer will do so at least 15 days before Settlement Date. Buyer gives Seller the right, at Seller's sole option and as permitted by law and the mortgage lender(s), to contribute financially, without promise of reimbursement, to the Buyer and/or the mortgage lender(s) to make the above mortgage term(s) available to Buyer.

152 (E) Within _____ days (7 if not specified) from the Execution Date of this Agreement, Buyer will make a completed mortgage application (including payment for and ordering of credit reports without delay, at the time required by lender(s)) for the mortgage terms and to the mortgage lender(s) identified in Paragraph 8(A), if any, otherwise to a responsible mortgage lender(s) of Buyer's choice. Broker for Buyer, if any, otherwise Broker for Seller, is authorized to communicate with the mortgage lender(s) to assist in the mortgage loan process.

153 (F) Buyer will be in default of this agreement if Buyer furnishes false information to anyone concerning Buyer's financial and/or employment status, fails to cooperate in good faith with processing the mortgage loan application (including payment for and ordering of appraisal without delay), fails to lock in interest rate(s) as stated in Paragraph 8(D), or otherwise causes the lender to reject, refuse to approve or issue a mortgage loan commitment.

154 (G) If the mortgage lender(s), or a property and casualty insurer providing insurance required by the mortgage lender(s), requires repairs to the Property, Buyer will, upon receiving the requirements, deliver a copy of the requirements to Seller. Within 5 DAYS of receiving the copy of the requirements, Seller will notify Buyer whether Seller will make the required repairs at Seller's expense.

188 Buyer Initials: _____

Seller Initials: _____

- 189 2. If Seller will not make the required repairs, or if Seller fails to respond within the stated time, Buyer will, within 5
 190 DAYS, notify Seller of Buyer's choice to:
 191 a. Make the repairs/improvements at Buyer's expense, with permission and access to the Property given by Seller, which will
 192 not be unreasonably withheld, OR
 193 b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
 194 Paragraph 23 of this Agreement.
 195 If Buyer fails to respond within the time stated in Paragraph 8(G) or fails to terminate this Agreement by written
 196 notice to seller within that time, Buyer will accept the property, make the required repairs/improvements at Buyer's ex-
 197 pense and agree to the RELEASE in Paragraph 25 of this Agreement.

198 **FHA/VA, IF APPLICABLE**

- 199 (I) It is expressly agreed that notwithstanding any other provisions of this contract, Buyer will not be obligated to complete the purchase
 200 of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless Buyer has been
 201 given, in accordance with HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, Veterans Ad-
 202 ministration, or a Direct Endorsement Lender setting forth the appraised value of the Property of not less than
 203 \$ _____ (the Purchase Price as stated in this Agreement). Buyer will have the privilege and option of pro-
 204 ceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is
 205 arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not
 206 warrant the value nor the condition of the Property. Buyer should satisfy himself/herself that the price and condition of the Property
 207 are acceptable.
 208 **Warning:** Section 1010 of Title 18, U.S.C., Department of Housing and Urban Development and Federal Housing Administration
 209 Transactions, provides, "Whoever for the purpose of . . . influencing in any way the action of such Department, makes, passes, utters
 210 or publishes any statement, knowing the same to be false shall be fined under this title or imprisoned not more than two years, or
 211 both."
 212 (J) **U.S. Department of Housing and Urban Development (HUD) NOTICE TO PURCHASERS: Buyer's Acknowledgement**
 213 Buyer has received the HUD Notice "For Your Protection: Get a Home Inspection." Buyer understands the importance of getting
 214 an independent home inspection and has thought about this before signing this Agreement. Buyer understands that FHA will
 215 not perform a home inspection nor guarantee the price or condition of the Property.
 216 (K) **Certification** We the undersigned, Seller(s) and Buyer(s) party to this transaction each certify that the terms of this contract for
 217 purchase are true to the best of our knowledge and belief, and that any other agreement entered into by any of these parties in con-
 218 nection with this transaction is attached to this Agreement.

- 219 9. **CHANGE IN BUYER'S FINANCIAL STATUS (9-15)**
 220 In the event of a change in Buyer's financial status affecting Buyer's ability to purchase, Buyer shall promptly notify Seller and lender(s)
 221 to whom the Buyer submitted mortgage application, if any, in writing. A change in financial status includes, but is not limited to, loss or
 222 a change in employment; failure or loss of sale of Buyer's home; Buyer's having incurred a new financial obligation; entry of a judgment
 223 against Buyer. Buyer understands that applying for and/or incurring an additional financial obligation may affect Buyer's ability
 224 to purchase.

225 10. **SELLER REPRESENTATIONS (9-15)**

- 226 (A) **Radon Mitigation (See Radon Notice below)**
 227 1. Seller represents that the Property does not currently have a radon mitigation system and Seller will not install preparatory work
 228 for a radon mitigation system unless otherwise checked below.
 229 Seller will install preparatory work for a radon mitigation system.
 230
 231
 232 2. **Radon Notice:** Radon is a natural, radioactive gas that is produced in the ground by the normal decay of uranium and radium.
 233 Studies indicate that extended exposure to high levels of radon gas can increase the risk of lung cancer. Radon can find its way
 234 into any air-space and can permeate a structure. If a house has a radon problem, it usually can be cured by increased ventilation
 235 and/or by preventing radon entry. Any person who tests, mitigates or safeguards a building for radon in Pennsylvania must be cer-
 236 tified by the Department of Environmental Protection, Bureau of Radiation Protection, Rachel Carson State Office Building, P.O.
 237 Box 8469, Harrisburg, PA 17105-8469, (800) 23RADON or (717) 787-2480, www.depweb.state.pa.us.

238 (B) **Status of Water**

239 Seller represents that the Property is served by:
 240 Public Water Community Water On-site Water None _____

241 (C) **Status of Sewer**

- 242 1. Seller represents that the Property is served by:
 243 Public Sewer Community Sewage Disposal System Ten-Acre Permit Exemption (see Sewage Notice 2)
 244 Individual On-lot Sewage Disposal System (see Sewage Notice 1) Holding Tank (see Sewage Notice 3)
 245 Individual On-lot Sewage Disposal System in Proximity to Well (see Sewage Notice 1; see Sewage Notice 4, if applicable)
 246 None (see Sewage Notice 1) None Available/Permit Limitations in Effect (see Sewage Notice 5)
 247

248 2. **Notices Pursuant to the Pennsylvania Sewage Facilities Act**

249 **Notice 1:** There is no currently existing community sewage system available for the subject property. Section 7 of the
 250 Pennsylvania Sewage Facilities Act provides that no person shall install, construct, request bid proposals for construction, alter,
 251 repair or occupy any building or structure for which an individual sewage system is to be installed, without first obtaining a

252 Buyer Initials: _____

Seller Initials: _____

252 permit. Buyer is advised by this notice that, before signing this Agreement, Buyer should contact the local agency charged with
253 administering the Act to determine the procedure and requirements for obtaining a permit for an individual sewage system. The
254 local agency charged with administering the Act will be the municipality where the Property is located or that municipality work-
255 ing cooperatively with others.

256 **Notice 2: This Property is serviced by an individual sewage system installed under the ten-acre permit exemption provi-**
257 **sions of Section 7 of the Pennsylvania Sewage Facilities Act.** (Section 7 provides that a permit may not be required before in-
258 stallng, constructing, awarding a contract for construction, altering, repairing or connecting to an individual sewage system
259 where a ten-acre parcel or lot is subdivided from a parent tract after January 10, 1987). Buyer is advised that soils and site testing
260 were not conducted and that, should the system malfunction, the owner of the Property or properties serviced by the system at
261 the time of a malfunction may be held liable for any contamination, pollution, public health hazard or nuisance which occurs as
262 a result.

263 **Notice 3: This Property is serviced by a holding tank (permanent or temporary) to which sewage is conveyed by a water**
264 **carrying system and which is designed and constructed to facilitate ultimate disposal of the sewage at another site.** Pursuant
265 to the Pennsylvania Sewage Facilities Act, Seller must provide a history of the annual cost of maintaining the tank from the date
266 of its installation or December 14, 1995, whichever is later.

267 **Notice 4: An individual sewage system has been installed at an isolation distance from a well that is less than the distance**
268 **specified by regulation.** The regulations at 25 Pa. Code §73.13 pertaining to minimum horizontal isolation distances provide
269 guidance. Subsection (b) of §73.13 states that the minimum horizontal isolation distance between an individual water supply or
270 water supply system suction line and treatment tanks shall be 50 feet. Subsection (c) of §73.13 states that the horizontal isolation
271 distance between the individual water supply or water supply system suction line and the perimeter of the absorption area shall
272 be 100 feet.

273 **Notice 5: This lot is within an area in which permit limitations are in effect and is subject to those limitations.** Sewage fa-
274 cilities are not available for this lot and construction of a structure to be served by sewage facilities may not begin until the mu-
275 nicipality completes a major planning requirement pursuant to the Pennsylvania Sewage Facilities Act and regulations
276 promulgated thereunder.

277 (D) **Historic Preservation**

278 Seller is not aware of historic preservation restrictions regarding the Property unless otherwise stated here: _____
279

280 (E) **Land Use Restrictions**

281 1. Property, or a portion of it, is subject to land use restrictions and may be preferentially assessed for tax purposes under the
282 following Act(s) (see Notices Regarding Land Use Restrictions below):

- 283 Agricultural Area Security Law (Right-to-Farm Act; Act 43 of 1981; 3 P.S. § 901 et seq.)
284 Farmland and Forest Land Assessment Act (Clean and Green Program; Act 319 of 1974; 72 P.S. § 5490.1 et seq.)
285 Open Space Act (Act 442 of 1967; 32 P.S. § 5001 et seq.)
286 Conservation Reserve Program (16 U.S.C. § 3831 et seq.)
287 Other _____

288 2. **Notices Regarding Land Use Restrictions**

289 a. **Pennsylvania Right-To-Farm Act:** The property you are buying may be located in an area where agricultural operations
290 take place. Pennsylvania protects agricultural resources for the production of food and agricultural products. The law limits
291 circumstances where normal agricultural operations may be subject to nuisance lawsuits or restrictive ordinances.

292 b. **Clean and Green Program:** Properties enrolled in the Clean and Green Program receive preferential property tax assessment.
293 Buyer and Seller have been advised of the need to contact the County Tax Assessment Office before the execution of this
294 Agreement to determine the property tax implications that will or may result from the sale of the Property, or that may result
295 in the future as a result of any change in use of the Property or the land from which it is being separated.

296 c. **Open Space Act:** This Act enables counties to enter into covenants with owners of land designated as farm, forest, water
297 supply, or open space land on an adopted municipal, county or regional plan for the purpose of preserving the land as open
298 space. A covenant between the owner and county is binding upon any Buyer of the Property during the period of time that
299 the covenant is in effect (5 or 10 years). Covenants automatically renew at the end of the covenant period unless specific ter-
300 mination notice procedures are followed. Buyer has been advised of the need to determine the restrictions that will apply
301 from the sale of the Property to Buyer and the property tax implications that will or may result from a change in use of the
302 Property, or any portion of it. Buyer is further advised to determine the term of any covenant now in effect.

303 d. **Conservation Reserve (Enhancement) Program:** Properties enrolled in the Conservation Reserve Program or CREP are
304 environmentally-sensitive areas, the owners of which receive compensation in exchange for an agreement to maintain the land
305 in its natural state. Contracts last from 10 to 15 years and carry penalties to Seller if terminated early by Buyer. Buyer has been
306 advised of the need to determine the restrictions on development of the Property and the term of any contract now in effect.
307 Seller is advised to determine the financial implications that will or may result from the sale of the Property.

308 (F) **Real Estate Seller Disclosure Law**

309 1. Generally, the Real Estate Seller Disclosure Law requires that before an agreement of sale is signed, the seller in a residential
310 real estate transfer must make certain disclosures regarding the property to potential buyers in a form defined by the law. A
311 residential real estate transfer is defined as a sale, exchange, installment sales contract, lease with an option to buy, grant or
312 other transfer of an interest in real property where **NOT LESS THAN ONE AND NOT MORE THAN FOUR RESIDENTIAL**
313 **DWELLING UNITS** are involved. Disclosures for condominiums and cooperatives are limited to the seller's particular unit(s).
314 Disclosures regarding common areas or facilities are not required, as those elements are already addressed in the laws that
315 govern the resale of condominium and cooperative interests.

2. Buyer has received the Seller's Property Disclosure Statement before signing this Agreement, if required by law. The Seller's
Property Disclosure Law does not require a disclosure form when:

316 Buyer Initials: _____

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Seller Initials: _____

- 317 1. A one-year written warranty covering the construction will be provided;
 318 2. The building will be inspected for compliance with the applicable building code or, if none, a nationally recognized model
 319 building code; AND
 320 3. A certificate of occupancy or a certificate of code compliance will be issued for the dwelling.

321 (G) **Public and/or Private Assessments**

- 322 1. Seller represents that, as of the date Seller signed this Agreement, no public improvement, condominium or homeowner associa-
 323 tion assessments have been made against the Property which remain unpaid, and that no notice by any government or public
 324 authority (excluding assessed value) has been served upon Seller or anyone on Seller's behalf, including notices relating to vi-
 325 olations of zoning, housing, building, safety or fire ordinances that remain uncorrected, and that Seller knows of no condition
 326 that would constitute a violation of any such ordinances that remain uncorrected, unless otherwise specified here: _____
 327
 328 2. Seller knows of no other potential notices (including violations) and/or assessments except as follows: _____
 329

330 11. **WAIVER OF CONTINGENCIES (9-05)**

331 If this Agreement is contingent on Buyer's right to inspect and/or repair the Property, or to verify insurability, environmental
 332 conditions, boundaries, certifications, zoning classification or use, or any other information regarding the Property, Buyer's
 333 failure to exercise any of Buyer's options within the times set forth in this Agreement is a WAIVER of that contingency and
 334 Buyer accepts the Property and agrees to the RELEASE in Paragraph 25 of this Agreement.

335 12. **DUE DILIGENCE/INSPECTIONS (9-15)**

- 336 (A) Seller will provide access to insurers' representatives and, as may be required by this Agreement or by mortgage lender(s), to sur-
 337 veyors, municipal officials, appraisers and inspectors. All parties and their real estate licensee(s) may attend any inspections.
 338 (B) Seller will have the following utilities turned on for pre-settlement walk-through inspection; Buyer may elect to activate any addi-
 339 tional utilities.
 340 Natural Gas Propane Oil Water
 341 Sewage Electricity _____
 342 (C) Buyer reserves the right to make two pre-settlement walk-through inspections of the Property when the Property is substantially
 343 complete. Seller will notify Buyer prior to settlement of the date and time of Buyer's pre-settlement walk-through inspections of the
 344 Property. Buyer's right to make these inspections is not waived by any other provision of this Agreement.
 345 (D) At a pre-settlement inspection, Buyer and Seller will complete and sign a list of items (punch list) to be completed, modified, or re-
 346 placed within _____ DAYS (30 if not specified) after settlement. Items that cannot be completed, modified, or replaced within _____
 347 DAYS (30 if not specified) of settlement due to events beyond Seller's reasonable control will be completed by Seller as soon as is
 348 reasonably possible, not to exceed _____ DAYS (365 if not specified) after settlement. This paragraph will survive settlement.
 349 (E) Buyer's failure to inspect the Property on the dates of the scheduled pre-settlement inspections or Buyer's failure to complete and
 350 sign the pre-settlement inspection form constitutes a waiver of Buyer's right to inspect the Property, and Buyer will accept the
 351 Property at settlement in its then present condition without obligation of modification or replacement.
 352 (F) All inspectors, including home inspectors, are authorized by Buyer to provide a copy of any inspection Report to Broker for Buyer.
 353 (G) Seller has the right, upon request, to receive without charge a copy of any inspection report from the party for whom it was prepared.
 354 (H) **Notices Regarding Property & Environmental Inspections**

- 355 1. **Exterior Building Materials:** Poor or improper installation of exterior building materials may result in moisture penetrating
 356 the surface of a structure where it may cause mold and damage to the building's frame.
 357 2. **Asbestos:** Asbestos is linked with several adverse health effects, including various forms of cancer.
 358 3. **Environmental Hazards:** The U.S. Environmental Protection Agency has a list of hazardous substances, the use and disposal
 359 of which are restricted by law. Generally, if hazardous substances are found on a property, it is the property owner's responsibility
 360 to dispose of them properly.
 361 4. **Wetlands:** Wetlands are protected by the federal and state governments. Buyer may wish to hire an environmental engineer to
 362 investigate whether the Property is located in a wetlands area to determine if permits for plans to build, improve or develop the
 363 property would be affected or denied because of its location in a wetlands area.
 364 5. **Mold, Fungi and Indoor Air Quality:** Indoor mold contamination and the inhalation of bioaerosols (bacteria, mold spores,
 365 pollen and viruses) have been associated with allergic responses.
 366 6. **Additional Information:** Inquiries or requests for more information about asbestos and other hazardous substances can be directed
 367 rected to the U.S. Environmental Protection Agency, Ariel Rios Building, 1200 Pennsylvania Ave., N.W., 2810A, Washington,
 368 D.C. 20460, (202) 272-0167, and/or the Department of Health, Commonwealth of Pennsylvania, Division of Environmental
 369 Health, Harrisburg, PA 17120. Information about indoor air quality issues is available through the Pennsylvania Department of
 370 Health and may be obtained by contacting Health & Welfare Building, 8th Floor West, 625 Forster St., Harrisburg, PA 17120,
 371 or by calling 1-877-724-3258.

372 13. **CONDOMINIUM/PLANNED COMMUNITY (HOMEOWNER ASSOCIATION) PUBLIC OFFERING STATEMENT (1-00)**

- 373 (A) The Property is NOT part of a Condominium or part of a Planned Community unless checked below.
 374 (B) **CONDOMINIUM**
 375 1. Buyer acknowledges that the Property is a unit of a condominium as defined by the Uniform Condominium Act. Seller is a
 376 declarant of the condominium and is required to provide Buyer with a public offering statement.
 377 2. The delivery of the public offering statement must be made no later than the date the Buyer executes this Agreement. Buyer
 378 may cancel this Agreement within fifteen (15) days after receiving the public offering statement and within fifteen (15) days
 379 of receipt of any amendment to the Statement that materially and adversely affects Buyer.

380 Buyer Initials: _____

Seller Initials: _____

- 381 (C) PLANNED COMMUNITY (HOMEOWNER ASSOCIATION)
382 1. Buyer acknowledges that the Property is part of a planned community as defined by the Uniform Planned Community Act.
383 Seller is a declarant of the planned community and is required to provide Buyer with a public offering statement.
384 2. The declarant must provide Buyer with a copy of the public offering statement and its amendments no later than the date Buyer
385 executes this Agreement. Buyer may cancel this Agreement within seven (7) days after receiving the public offering statement
386 and within seven (7) days after receiving any amendment to the contract that would materially and adversely affect Buyer.
387 Buyer has received a copy of the public offering statement before signing this Agreement.

388 **14. TITLES, SURVEYS AND COSTS (9-15)**

- 389 (A) The Property will be conveyed with good and marketable title that is insurable by a reputable title insurance company at the regular
390 rates, free and clear of all liens, encumbrances, and easements, **excepting however** the following: existing deed restrictions; historic
391 preservation restrictions or ordinances; building restrictions; ordinances; easements of roads; easements visible upon the ground;
392 easements of record; and privileges or rights of public service companies, if any.
393 (B) Buyer is encouraged to obtain an owner's title insurance policy to protect Buyer. An owner's title insurance policy is different from
394 a lender's title insurance policy, which will not protect Buyer from claims and attacks on the title. Owner's title insurance policies
395 come in standard and enhanced versions; Buyer should consult with a title insurance agent about Buyer's options. Buyer agrees to
396 release and discharge any and all claims and losses against Broker for Buyer should Buyer neglect to obtain an owner's title insurance
397 policy.
398 (C) Buyer will pay for the following: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation;
399 (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees and
400 charges paid in advance to mortgage lender; (4) Buyer's customary settlement costs and accruals.
401 (D) Seller has the right, upon request, to receive a free copy of any title abstract for the Property from the party for whom it was prepared.
402 (E) Any survey or surveys required by the title insurance company or the abstracting company for preparing an adequate legal
403 description of the Property (or the correction thereof) will be obtained and paid for by Seller. Any survey or surveys desired by
404 Buyer or required by the mortgage lender will be obtained and paid for by Buyer.
405 (F) In the event of a change in Seller's financial status affecting Seller's ability to convey title to the Property on or before the Settlement
406 Date, or any extension thereof, Seller shall promptly notify Buyer in writing. A change in financial status includes, but is not limited
407 to, Seller filing bankruptcy; filing of a foreclosure lawsuit against the Property; entry of a monetary judgment against Seller; notice
408 of public tax sale affecting the Property; and Seller learning that the sale price of the Property is no longer sufficient to satisfy all
409 liens and encumbrances against the Property.
410 (G) If Seller is unable to give good and marketable title that is insurable by a reputable title insurance company at the regular rates, as
411 specified in Paragraph 14(A), Buyer may terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer
412 according to the terms of Paragraph 23 of this Agreement. Upon termination, Seller will reimburse Buyer for any costs incurred by
413 Buyer for any inspections or certifications obtained according to the terms of this Agreement, and for those items specified in Paragraph
414 14(C) items (1), (2), (3) and in Paragraph 14(E).
415 (H) Oil, gas, mineral, or other rights of this Property may have been previously conveyed or leased, and Sellers make no representation
416 about the status of those rights unless indicated elsewhere in this Agreement.

417 Oil, Gas and Mineral Rights Addendum (PAR Form OGM) is attached to and made part of this agreement.

418 (I) **COAL NOTICE (Where Applicable)**

419 THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS OF SUPPORT UNDERNEATH
420 THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL
421 RIGHT TO REMOVE ALL SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE,
422 BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. (This notice is set forth in the manner provided in Section 1 of the Act of
423 July 17, 1957, P.L. 984.) "Buyer acknowledges that he may not be obtaining the right of protection against subsidence resulting
424 from coal mining operations, and that the property described herein may be protected from damage due to mine subsidence by a
425 private contract with the owners of the economic interests in the coal. This acknowledgement is made for the purpose of com-
426 plying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of April 27, 1966."
427 Buyer agrees to sign the deed from Seller which deed will contain the aforesaid provision.

- 428 (J) This property is not subject to a Private Transfer Fee Obligation unless otherwise stated here: _____
429 Private Transfer Fee Addendum (PAR Form PTF) is attached to and made part of this agreement.
430 **Notices Regarding Private Transfer Fees:** In Pennsylvania, Private Transfer Fees are defined and regulated in the Private Transfer Fee
431 Obligation Act (Act 1 of 2011; 68 Pa.C.S. §§ 8101, et. seq.), which defines a Private Transfer Fee as "a fee that is payable upon the
432 transfer of an interest in real property, or payable for the right to make or accept the transfer, if the obligation to pay the fee or charge runs
433 with title to the property or otherwise binds subsequent owners of property, regardless of whether the fee or charge is a fixed amount or
434 is determined as a percentage of the value of the property, the purchase price or other consideration given for the transfer." A Private
435 Transfer Fee must be properly recorded to be binding, and sellers must disclose the existence of the fees to prospective buyers. Where a
436 Private Transfer Fee is not properly recorded or disclosed, the Act gives certain rights and protections to buyers.

437 **15. MAINTENANCE & RISK OF LOSS (9-15)**

438 Seller will bear risk of loss from fire or other casualties until time of settlement. In the event of damage by fire or other casualties to any
439 part of the Property included in the sale that is not repaired or replaced prior to settlement (including, but not limited to, structures,
440 grounds, fixtures, appliances and personal property), Buyer will have the option of rescinding this Agreement and promptly receiving all
441 monies paid on account of purchase price or of extending settlement until such time as Seller can deliver the Property in completed con-
442 dition. Buyer is hereby notified that Buyer may insure Buyer's equitable interest in this Property as of the time of execution of this Agree-
443 ment.

444 Buyer Initials: _____

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Seller Initials: _____

445 **16. WARRANTIES (11-00)**

446 (A) **Assignment of Manufacturer's Warranties:** Seller hereby assigns to Buyer the manufacturer's warranties on all appliances,
447 equipment, and other consumer products to be installed in or on the Property. Copies of these warranties will be delivered to Buyer.
448 Seller makes no warranties, representations or guarantees with respect to the appliances, equipment and consumer products, and all
449 such warranties, representations and guarantees are hereby disclaimed. The sole remedy of Buyer as to any such items will be to
450 make such claims as are appropriate under the manufacturer's warranties.

451 (B) **Limited Warranty:** Except as set forth in any new construction warranty that may be provided herewith, **SELLER MAKES NO**
452 **OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING BUT NOT**
453 **LIMITED TO THOSE OF WORKMANLIKE CONSTRUCTION, HABITABILITY, DESIGN, CONDITION, QUALITY**
454 **OR OTHERWISE AS TO THE PROPERTY AND THE RESIDENCE AND OTHER IMPROVEMENTS CONSTRUCTED**
455 **THEREON, AND SELLER HEREBY EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES.**
456 Buyer hereby acknowledges and accepts such disclaimer and agrees to waive any and all rights Buyer may have by virtue of such
457 representations and warranties. Except for the warranties provided by Seller, Buyer assumes the risk of any and all damage occurring
458 in or appearing on the Property from the date of settlement, regardless of the cause thereof. Buyer's assumption of this risk is partially
459 in consideration of the amount of the purchase price of the Property which is lower than it would be if Seller was to be held responsible
460 for any such risks by virtue of said expressed or implied representations or warranties.

461 **17. RECORDING (9-05)**

462 This Agreement will not be recorded in the Office of the Recorder of Deeds or in any other office or place of public record. If Buyer
463 causes or permits this Agreement to be recorded, Seller may elect to treat such act as a default of this Agreement.

464 **18. ASSIGNMENT (2-12)**

465 This Agreement is binding upon the parties, their heirs, personal representatives, guardians and successors, and to the extent assignable,
466 on the assigns of the parties hereto. Buyer will not transfer or assign this Agreement without the written consent of Seller unless otherwise
467 stated in this Agreement. Assignment of this Agreement may result in additional transfer taxes.

468 **19. GOVERNING LAW, VENUE AND PERSONAL JURISDICTION (9-05)**

469 (A) The validity and construction of this Agreement, and the rights and duties of the parties, will be governed in accordance with the
470 laws of the Commonwealth of Pennsylvania.

471 (B) The parties agree that any dispute, controversy or claim arising under or in connection with this Agreement or its performance by
472 either party submitted to a court shall be filed exclusively by and in the state or federal courts sitting in the Commonwealth of
473 Pennsylvania.

474 **20. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA) (9-15)**

475 The disposition of a U.S. real property interest by a foreign person (the transferor) is subject to the Foreign Investment in Real Property
476 Tax Act of 1980 (FIRPTA) income tax withholding. FIRPTA authorized the United States to tax foreign persons on dispositions of U.S.
477 real property interests. This includes but is not limited to a sale or exchange, liquidation, redemption, gift, transfers, etc. Persons purchasing
478 U.S. real property interests (transferee) from foreign persons, certain purchasers' agents, and settlement officers are required to withhold
479 up to 15 percent of the amount realized (special rules for foreign corporations). Withholding is intended to ensure U.S. taxation of gains
480 realized on disposition of such interests. The transferee/Buyer is the withholding agent. If you are the transferee/Buyer you must find
481 out if the transferor is a foreign person as defined by the Act. If the transferor is a foreign person and you fail to withhold, you may be
482 held liable for the tax.

483 **21. NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW) (9-15)**

484 The Pennsylvania General Assembly has passed legislation (often referred to as "Megan's Law," 42 Pa.C.S. § 9791 et seq.) providing
485 for community notification of the presence of certain convicted sex offenders. **Buyers are encouraged to contact the municipal police**
486 **department or the Pennsylvania State Police for information relating to the presence of sex offenders near a particular property,**
487 **or to check the information on the Pennsylvania State Police Web site at www.pameganslaw.state.pa.us.**

488 **22. REPRESENTATIONS (2-12)**

489 (A) All representations, claims, advertising, promotional activities, brochures or plans of any kind made by Seller, Brokers, their licensees,
490 employees, officers or partners are not a part of this Agreement unless expressly incorporated or stated in this Agreement. This
491 Agreement contains the whole agreement between Seller and Buyer, and there are no other terms, obligations, covenants, represen-
492 tations, statements or conditions, oral or otherwise, of any kind whatsoever concerning this sale. This Agreement will not be altered,
493 amended, changed or modified except in writing executed by the parties.

494 (B) Buyer acknowledges that Brokers, their licensees, employees, officers or partners have not made an assessment of the plan, drawings,
495 specifications, or such documents as have bearing on the nature and quality of the structures to be built by Seller. Furthermore, Brokers,
496 their licensees, employees, officers, and partners make no representation with respect to permits or such other evidence of government
497 approval for the construction of the structures to be built by Seller, or of the environmental conditions, the permitted uses, the financial
498 condition of Seller, or the conditions existing in the locale where the property is situated nor have they made an inspection of the
499 components, appliances, systems, or consumer products to be installed in or about the Property.

500 (C) Any repairs required by this Agreement will be completed in a workmanlike manner.

501 (D) Broker(s) have provided or may provide services to assist unrepresented parties in complying with this Agreement.

502 **23. DEFAULT, TERMINATION AND RETURN OF DEPOSITS (1-18)**

503 (A) Where Buyer terminates this Agreement pursuant to any right granted by this Agreement, Buyer will be entitled to a return of all
504 deposit monies paid on account of Purchase Price, other than those amounts designated as non-refundable, pursuant to the terms
505 of Paragraph 23(B), and this Agreement will be VOID. Termination of this Agreement may occur for other reasons giving rise to claims
506 by Buyer and/or Seller for the deposit monies.

507 (B) Where Seller terminates this Agreement due to Buyer's default, breach or failure to comply with the obligations contained in this Agree-
508 ment, or where this Agreement is terminated through no fault of Seller, then Seller has the option of retaining all sums paid by Buyer,
509 including deposit monies designated as non-refundable.

510 Buyer Initials: _____

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Seller Initials: _____

- 511 (C) Where Buyer terminates this Agreement due to Seller's default, breach or failure to comply with the obligations contained in this
512 Agreement, then Buyer will be entitled to a return of all deposit monies paid on account of Purchase Price, **including those amounts**
513 **designated as non-refundable**, pursuant to the terms of Paragraph 23(B), and this Agreement will be VOID.
- 514 (D) Regardless of the apparent entitlement to deposit monies, Pennsylvania law does not allow a Broker holding deposit monies to
515 determine who is entitled to the deposit monies when settlement does not occur. Broker can only release the deposit monies:
516 1. If this Agreement is terminated prior to settlement and there is no dispute over entitlement to the deposit monies. A written
517 agreement signed by both parties is evidence that there is no dispute regarding deposit monies.
518 2. If, after Broker has received deposit monies, Broker receives a written agreement that is signed by Buyer and Seller, directing
519 Broker how to distribute some or all of the deposit monies.
520 3. According to the terms of a final order of court.
521 4. According to the terms of a prior written agreement between Buyer and Seller that directs the Broker how to distribute the
522 deposit monies if there is a dispute between the parties that is not resolved. (See Paragraph 23(E))
- 523 (E) Buyer and Seller agree that if there is a dispute over the entitlement to deposit monies that is unresolved 180 days after the
524 Settlement Date stated in Paragraph 4(A) (or any written extensions thereof) or following termination of the Agreement, whichever
525 is earlier, then the Broker holding the deposit monies will, within 30 days of receipt of Buyer's written request, distribute the deposit
526 monies to Buyer unless the Broker is in receipt of verifiable written notice that the dispute is the subject of litigation or mediation.
527 If Broker has received verifiable written notice of litigation or mediation prior to the receipt of Buyer's request for distribution,
528 Broker will continue to hold the deposit monies until receipt of a written distribution agreement between Buyer and Seller or a final
529 court order. Buyer and Seller are advised to initiate litigation or mediation for any portion of the deposit monies prior to any distri-
530 bution made by Broker pursuant to this paragraph. Buyer and Seller agree that the distribution of deposit monies based upon the
531 passage of time does not legally determine entitlement to deposit monies, and that the parties maintain their legal rights to pursue
532 litigation even after a distribution is made.
- 533 (F) Buyer and Seller agree that Broker who holds or distributes deposit monies pursuant to the terms of Paragraph 24 or Pennsylvania
534 law will not be liable. Buyer and Seller agree that if any Broker or affiliated licensee is named in litigation regarding deposit monies,
535 the attorneys' fees and costs of the Broker(s) and licensee(s) will be paid by the party naming them in litigation.
- 536 (G) **Unless otherwise checked in Paragraph 23(H), upon Buyer default, Seller may elect to retain those sums paid by Buyer, including**
537 **deposit monies:**
538 1. On account of purchase price, OR
539 2. As monies to be applied to Seller's damages, OR
540 3. As liquidated damages for such default.
- 541 (H) **SELLER IS LIMITED TO RETAINING SUMS PAID BY BUYER, INCLUDING DEPOSIT MONIES, AS LIQUIDATED**
542 **DAMAGES.**
- 543 (I) If Seller retains all sums paid by Buyer, including deposit monies, as liquidated damages pursuant to Paragraph 24(F) or (G),
544 Buyer and Seller are released from further liability or obligation and this Agreement is VOID.
- 545 (J) Brokers and licensees are not responsible for unpaid deposits.
- 546 **24. MEDIATION (2-12)**
547 Buyer and Seller will submit all disputes or claims that arise from this Agreement, including disputes and claims over deposit monies,
548 to mediation. Mediation will be conducted in accordance with the Rules and Procedures of the Home Sellers/Home Buyers Dispute
549 Resolution System, unless it is not available, in which case Buyer and Seller will mediate according to the terms of the mediation system of-
550 fered or endorsed by the local Association of Realtors®. Mediation fees, contained in the mediator's fee schedule, will be divided equally
551 among the parties and will be paid before the mediation conference. This mediation process must be concluded before any party to the
552 dispute may initiate legal proceedings in any courtroom, with the exception of filing a summons if it is necessary to stop any statute of
553 limitations from expiring. Any agreement reached through mediation and signed by the parties will be binding (see Notice Regarding
554 Mediation). Any agreement to mediate disputes or claims arising from this Agreement will survive settlement.
- 555 **25. RELEASE (9-05)**
556 Buyer releases, quit claims and forever discharges SELLER, ALL BROKERS, their LICENSEES, EMPLOYEES and any OFFICER
557 or PARTNER of any one of them and any other PERSON, FIRM or CORPORATION who may be liable by or through
558 them, from any and all claims, losses or demands, including, but not limited to, personal injury and property damage and all of the
559 consequences thereof, whether known or not, which may arise from the presence of termites or other wood-boring insects, radon, lead-
560 based paint hazards, mold, fungi or indoor air quality, environmental hazards, any defects in the individual on-lot sewage disposal system
561 or deficiencies in the on-site water service system, or any defects or conditions on the Property. Should Seller be in default under the
562 terms of this Agreement or in violation of any Seller disclosure law or regulation, this release does not deprive Buyer of any right to
563 pursue any remedies that may be available under law or equity. This release will survive settlement.
- 564 **26. REAL ESTATE RECOVERY FUND (1-18)**
565 A Real Estate Recovery Fund exists to reimburse any persons who have obtained a final civil judgment against a Pennsylvania real estate
566 licensee (or a licensee's affiliates) owing to fraud, misrepresentation, or deceit in a real estate transaction and who have been unable to
567 collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.
- 568 **27. COMMUNICATIONS WITH BUYER AND/OR SELLER (9-15)**
569 (A) If Buyer is obtaining mortgage financing, Buyer shall promptly deliver to Broker for Buyer, if any, a copy of all Loan Estimate(s)
570 and Closing Disclosure(s) upon receipt.
571 (B) Wherever this Agreement contains a provision that requires or allows communication/delivery to a Buyer, that provision shall be satis-
572 fied by communication/delivery to the Broker for Buyer, if any, **except for documents required to be delivered pursuant to**
573 **Paragraph 13.** If there is no Broker for Buyer, those provisions may be satisfied only by communication/delivery being made directly to
574 the Buyer, unless otherwise agreed to by the parties. Wherever this Agreement contains a provision that requires or allows communi-

575 Buyer Initials: _____

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Seller Initials: _____

576 cation/delivery to a Seller, that provision shall be satisfied by communication/delivery to the Broker for Seller, if any. If there is no
577 Broker for Seller, those provisions may be satisfied only by communication/delivery being made directly to the Seller, unless otherwise
578 agreed to by the parties.

579 **28. HEADINGS (9-15)**

580 The section and paragraph headings in this Agreement are for convenience only and are not intended to indicate all of the matter in the
581 sections which follow them. They shall have no effect whatsoever in determining the rights, obligations or intent of the parties.

582 **29. SPECIAL CLAUSES (9-15)**

583 (A) The following are part of this Agreement if checked:

- 584 Sale & Settlement of Other Property Contingency Addendum (PAR Form SSP)
- 585 Sale & Settlement of Other Property Contingency with Right to Continue Marketing Addendum (PAR Form SSP-CM)
- 586 Sale & Settlement of Other Property Contingency with Timed Kickout Addendum (PAR Form SSPTKO)
- 587 Settlement of Other Property Contingency Addendum (PAR Form SOP)
- 588 Appraisal Contingency Addendum (PAR Form ACA)
- 589 _____
- 590 _____

591 (B) The following exhibits are made part of this Agreement if checked:

- | | |
|--|--|
| 592 <input type="checkbox"/> Plot Plan of Lot | <input type="checkbox"/> Options/Extras/Alterations |
| 593 <input type="checkbox"/> House Plan/Floor Plan/Elevation | <input type="checkbox"/> New Construction Warranty |
| 594 <input type="checkbox"/> Floor Plan Reversed | <input type="checkbox"/> Restrictive Covenants/Deed Restrictions |
| 595 <input type="checkbox"/> Building Specifications | <input type="checkbox"/> Standard Features |
| 596 <input type="checkbox"/> _____ | |
| 597 <input type="checkbox"/> _____ | |
| 598 <input type="checkbox"/> _____ | |

599 (C) Additional Terms:

600
601
602
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604

605 Buyer and Seller acknowledge receipt of a copy of this Agreement at the time of signing.

606 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and which counterparts
607 together shall constitute one and the same Agreement of the Parties.

608 **NOTICE TO PARTIES: WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT.** Parties to this transaction are advised
609 to consult a Pennsylvania real estate attorney before signing if they desire legal advice.

610 Return of this Agreement, and any addenda and amendments, including return by electronic transmission, bearing the signatures
611 of all parties, constitutes acceptance by the parties.

612 _____ Buyer has received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code §35.336.

613 _____ Buyer has received a statement of Buyer's estimated closing costs before signing this Agreement.

614 _____ Buyer has received the Deposit Money Notice (for cooperative sales when Broker for Seller is holding deposit money)
615 before signing this Agreement.

616 BUYER _____ DATE _____

617 BUYER _____ DATE _____

618 BUYER _____ DATE _____

619 Seller has received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code § 35.336.

620 Seller has received a statement of Seller's estimated closing costs before signing this Agreement.

621 SELLER _____ DATE _____

622 SELLER _____ DATE _____

623 SELLER _____ DATE _____

Mold Remediation Disclosure

During the framing of Building 1, and prior to the completion of the roofing assembly, the construction site was beset with an unusual amount of rain and unseasonably warm temperatures. These conditions are conducive to the emergence of mold, and the construction site evidenced signs that mold may have developed.

Green Home Solutions, a mold remediation company, was contracted to professionally treat the various surfaces within the structure. Following treatment, four air samples were taken from each unit by Lauder Inspection Services. These samples were then submitted to Inspector Lab, a nationally recognized certified laboratory in Ft. Lauderdale, Florida. The results of these tests indicate the "mold counts are within a NORMAL RANGE and there is no indication, based on the mold counts, that there is any exposure concern to the occupants."

A copy of the Inspector Lab's report is available upon request.