

# 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)

SELLER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER	
BROKER (Company) <u>Brownstone Real Estate Co.</u>	PHONE <u>(717) 533-6222</u>
ADDRESS <u>1840 Fishburn Road, Hershey, PA 17033</u>	FAX <u>(717) 534-0538</u>
LICENSEE(S) <u>Amy or Wes Dellinger, Joni Fortna</u>	Designated Agent? <input type="checkbox"/> Yes <input type="checkbox"/> No
BROKER IS THE AGENT FOR SELLER. OR (if checked below):	
Broker is NOT the Agent for Seller and is a/an: <input type="checkbox"/> AGENT FOR BUYER <input type="checkbox"/> TRANSACTION LICENSEE	

BUYER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER	
BROKER (Company) _____	PHONE _____
ADDRESS _____	FAX _____
LICENSEE(S) _____	Designated Agent? <input type="checkbox"/> Yes <input type="checkbox"/> No
BROKER IS THE AGENT FOR BUYER. OR (if checked below):	
Broker is NOT the Agent for Buyer and is a/an: <input type="checkbox"/> AGENT FOR SELLER <input type="checkbox"/> SUBAGENT FOR SELLER <input type="checkbox"/> TRANSACTION LICENSEE	

When the same Broker is Agent for Seller and Agent for Buyer, Broker is a Dual Agent. 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 Seller and Buyer, the Licensee is a Dual Agent.

1 **1. This Agreement**, dated \_\_\_\_\_, is between  
 2 SELLER/BUILDER: Hershey Road Associates, LP  
 3 \_\_\_\_\_  
 4 \_\_\_\_\_, called "Seller," and  
 5 BUYER(S): \_\_\_\_\_  
 6 \_\_\_\_\_  
 7 \_\_\_\_\_, called "Buyer."

8 **2. PROPERTY (11-00)**  
 9 Seller hereby agrees to sell and convey to Buyer, who hereby agrees to purchase:  
 10 Lot or piece of ground (  check here if lot is not being conveyed) with buildings and improvements to be erected thereon, if any, known as:  
 11 Name of Subdivision The Townes at Hershey Road  
 12 Phase \_\_\_\_\_  
 13 Lot \_\_\_\_\_  
 14 Model \_\_\_\_\_  
 15 Street Address Tiverton Lane  
 16 \_\_\_\_\_ in the Township \_\_\_\_\_ of West Hanover  
 17 County of Dauphin in the Commonwealth of Pennsylvania. Identification (e.g., Tax ID#; Parcel #; Lot and Block);  
 18 Plan Book Volume, Page; Deed Book, Page, Recording Date) \_\_\_\_\_

19 **3. TERMS (08-08)**  
 20 (A) Total Purchase Price \_\_\_\_\_ U.S. Dollars,  
 21 \_\_\_\_\_  
 22 accounted for as follows:  
 23 1 Base Price \_\_\_\_\_ \$ \_\_\_\_\_  
 24 2 Lot Premium, if any \_\_\_\_\_ \$ \_\_\_\_\_  
 25 3 Total Options/Extras/Alterations (see attached addendum) \_\_\_\_\_ \$ \_\_\_\_\_  
 26 TOTAL PURCHASE PRICE \$ \_\_\_\_\_  
 27 (B) Purchase Price will be paid to Seller by Buyer as follows:  
 28 1 Cash or check at signing this Agreement \_\_\_\_\_ \$ \_\_\_\_\_  
 29 2 Cash or check within \_\_\_\_\_ days of the execution of this Agreement \_\_\_\_\_ \$ \_\_\_\_\_  
 30 3 Non-refundable pre-paid options/extras/alterations paid to Seller on or before \_\_\_\_\_ \$ \_\_\_\_\_  
 31 4 \_\_\_\_\_ \$ \_\_\_\_\_  
 32 5 \_\_\_\_\_ \$ \_\_\_\_\_  
 33 6 \_\_\_\_\_ \$ \_\_\_\_\_  
 34 7 Cash or cashier's check at time of settlement: \_\_\_\_\_ \$ \_\_\_\_\_  
 35 TOTAL PURCHASE PRICE \$ \_\_\_\_\_

36  
 37  
 38 Buyer Initials: \_\_\_\_\_ ASNC Page 1 of 8 Seller Initials: \_\_\_\_\_

Revised 08/08



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08/08

Brownstone Real Estate Co - Corporate 102 Fairview Circle Lebanon, PA 17042  
 Phone: 717-279-6222 Fax: 717-376-0245 Wes Dellinger

Hershey Road A

- 39 (C) Deposits, regardless of the form of payment and the person designated as payee, will be paid in U.S. Dollars to Broker for Seller (unless other-  
 40 wise stated here) held by Hershey Road Associates, LP  
 41 \_\_\_\_\_  
 42 who will retain deposits in an escrow account until consummation or termination of this Agreement in conformity with all applicable laws and  
 43 regulations. Any check tendered as deposit monies may be held uncashed pending the acceptance of this Agreement. All funds to be paid by Buyer  
 44 within 30 DAYS of settlement will be by cash or cashier's check.  
 45 (D) Seller's written approval to be on or before: \_\_\_\_\_  
 46 (E) Settlement will occur in the county where the Property is located or in an adjacent county, during normal business hours, unless Buyer and Seller  
 47 agree otherwise.  
 48 (F) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here. \_\_\_\_\_  
 49 \_\_\_\_\_  
 50 (G) Payment of transfer taxes will be divided equally between Buyer and Seller unless otherwise stated here \_\_\_\_\_  
 51 \_\_\_\_\_  
 52 (H) At time of settlement, the following will be adjusted pro-rata on a daily basis between Buyer and Seller, reimbursing where applicable current  
 53 taxes (See Notice Regarding Real Estate Taxes), condominium fees and homeowner association fees, water and/or sewer fees, together with any  
 54 other lienable municipal service. All charges will be pro-rated for the period(s) covered. Seller will pay up to and including the date of settlement  
 55 and Buyer will pay for all days following settlement, unless otherwise stated here \_\_\_\_\_  
 56 \_\_\_\_\_

57 **4. SCHEDULE OF CONSTRUCTION (08-08)**

- 58 (A) **Commencement Date:** Seller estimates that Seller will commence construction on or about \_\_\_\_\_. Seller re-  
 59 serves the right to delay commencement of construction until Buyer has received and signed a valid mortgage commitment in accordance with  
 60 Paragraph 5.  
 61 (B) **Completion Date:** Seller estimates completion of construction on or about \_\_\_\_\_. Buyer  
 62 acknowledges that the estimated Completion Date is made by Seller as an accommodation to Buyer to assist Buyer in formulating future plans.  
 63 If commencement, completion, and/or settlement are delayed due to inclement weather, strikes, delays in issuance of permits, unavailability of  
 64 labor or materials, or any other reason beyond Seller's control, all times and dates (including settlement date) will be automatically extended ac-  
 65 cordingly **and time is not deemed to be of the essence.**  
 66 (C) **Anticipated Settlement:** Settlement will be held on a date which is within \_\_\_\_\_ days (10 if not specified) after Seller supplies Buyer with a  
 67 written notice of settlement. However, at the time of settlement the house and premises will have been substantially completed. If the munic-  
 68 ipality or governmental authority requires a Use & Occupancy permit, Seller will provide one at settlement.  
 69 (D) **Settlement Deadline:** The previous paragraph notwithstanding, Should Seller be unable to settle on the Property in substantially completed  
 70 condition for which a Use & Occupancy permit has been issued (where required) on or before \_\_\_\_\_ Buyer may terminate this Agree-  
 71 ment and all deposit monies including amounts identified in paragraph 3 (B) (3) of this Agreement as non-refundable, will be returned to Buyer  
 72 according to the terms of paragraph 29 of this Agreement.

73 **5. MORTGAGE CONTINGENCY (8-08)**

- 74  **WAIVED** This sale is NOT contingent on mortgage financing, although Buyer may still obtain mortgage financing.  
 75  **ELECTED**  
 76 (A) This sale is contingent upon Buyer obtaining mortgage financing as follows:  
 77 \_\_\_\_\_

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 _____
Mortgage lender _____	Mortgage lender _____
Interest rate _____ %, however, <b>Buyer agrees to accept the interest rate as may be committed by the mortgage lender</b> , not to exceed a maximum interest rate of _____ %	Interest rate _____ %, however, <b>Buyer agrees to accept the interest rate as may be committed by the mortgage lender</b> , 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.

92 The interest rate(s) and fee(s) provisions in paragraph 5 (A) are satisfied if the mortgage lender(s) gives Buyer the right to guarantee the interest rate(s)  
 93 and fee(s) at or below the maximum levels stated. Buyer gives Seller the right, at Seller's sole option and as permitted by law and the mortgage lender(s),  
 94 to contribute financially, without promise of reimbursement, to the Buyer and/or the mortgage lender(s) to make the above mortgage term(s) available  
 95 to Buyer.

- 96 (A) Within \_\_\_\_\_ days (10 if not specified) from the Execution Date of this Agreement, Buyer will make a completed, written mortgage applica-  
 97 tion for the mortgage terms stated above to the mortgage lender(s) identified in paragraph 5 (A), if any, otherwise to a responsible mortgage  
 98 lender(s) of Buyer's choice. **Broker for Buyer, if any, otherwise Broker for Seller, is authorized to communicate with the mortgage lender(s)**  
 99 **to assist in the mortgage loan process.**

100 Buyer Initials: \_\_\_\_\_

Seller Initials: \_\_\_\_\_

- 102 (C) Should Buyer furnish false or incomplete information to Seller, Broker(s), or the mortgage lender(s) concerning Buyer's legal or finan-  
 103 cial status, or fail to cooperate in good faith in processing the mortgage loan application, which results in the mortgage lender(s) refus-  
 104 ing to approve a mortgage loan commitment, Buyer will be in default of this Agreement.
- 105 (D) 1 Mortgage commitment date: \_\_\_\_\_ If Seller does not receive a copy of Buyer's mortgage commitment(s) by this  
 106 date, Buyer and Seller agree to extend the mortgage commitment date until Seller terminates this Agreement by written notice to  
 107 Buyer.
- 108 2. Upon receiving a mortgage commitment, Buyer will promptly deliver a copy of the commitment to Seller.
- 109 3 If the mortgage commitment(s) will expire prior to settlement, Buyer will take necessary steps and pay all fees required to maintain the mort-  
 110 gage commitment(s), including but not limited to the payment of all fees required by the lender(s) Provided that Buyer has taken all neces-  
 111 sary steps to maintain/extend the mortgage commitment(s), Seller waives the right to terminate this Agreement pursuant to subparagraph 5  
 112 (D) 4 (a) below unless or until the lender(s) refuses to maintain and extend the commitments
- 113 4 Seller may terminate this Agreement in writing after the mortgage commitment date, if the mortgage commitment(s).  
 114 a. Is not valid until the date of settlement, OR  
 115 b. Is conditioned upon the sale and settlement of any other property, OR  
 116 c. Does not satisfy all the mortgage terms as stated in paragraph 5 (A), OR  
 117 d. Contains any other condition not specified in this Agreement that is not satisfied and/or removed in writing by the mortgage lender(s)  
 118 within 7 DAYS after the mortgage commitment date in paragraph 5 (D) (1), other than those conditions that are customarily  
 119 satisfied at or near settlement, such as obtaining insurance and confirming employment status.
- 120 5. If this Agreement is terminated pursuant to paragraphs 5 (D) (1) or (4), or the mortgage loan(s) is not obtained for settlement, all deposit monies  
 121 will be returned to Buyer according to the terms of paragraph 29 and this Agreement will be VOID. Buyer will be responsible for any costs in-  
 122 curred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and any costs incurred by Buyer for  
 123 (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation, (2) Flood insurance and/or fire insurance with  
 124 extended coverage, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees and charges paid in advance to mortgage lender.
- 125 (E) Seller will not be responsible to Buyer or Buyer's mortgage lender to escrow any funds for any reason. In the event Buyer's mortgage lender re-  
 126 quires an escrow of funds as a condition to complete settlement, Buyer agrees to provide such escrow funds and complete settlement as specified  
 127 in this Agreement. This paragraph will survive settlement.
- 128 (F) Seller Assist  
 129  NOT APPLICABLE.  
 130  APPLICABLE Seller will pay:  
 131  \$ \_\_\_\_\_, OR \_\_\_\_\_ % of Purchase Price, maximum, toward Buyer's costs as permitted by the mortgage lender(s).  
 132  \_\_\_\_\_

**FHA/VA, IF APPLICABLE**

- 133 (G) It is expressly agreed that notwithstanding any other provisions of this contract, Buyer will not be obligated to complete the purchase of the Prop-  
 134 erty described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless Buyer has been given, in accordance with  
 135 HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement  
 136 Lender setting forth the appraised value of the Property of not less than \$ \_\_\_\_\_ (the dollar amount to be inserted is the sales  
 137 price as stated in the Agreement) Buyer will have the privilege and option of proceeding with consummation of the contract without regard to  
 138 the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and  
 139 Urban Development will insure. HUD does not warrant the value nor the condition of the Property. Buyer should satisfy himself/herself that the  
 140 price and condition of the Property are acceptable  
 141 **Warning:** Section 1010 of Title 18, U.S.C., Department of Housing and Urban Development and Federal Housing Administration Transac-  
 142 tions, provides, "Whoever for the purpose of influencing in any way the action of such Department, makes, passes, utters, or publishes any  
 143 statement, knowing the same to be false shall be fined under this title or imprisoned not more than two years, or both."  
 144 (H) **Certification:** We the undersigned, Seller(s) and Buyer(s) party to this transaction each certify that the terms of this contract for purchase are  
 145 true to the best of our knowledge and belief, and that any other agreement entered into by any of these parties in connection with this transaction  
 146 is attached to this Agreement  
 147

- 148 6. **WAIVER OF CONTINGENCIES (9-05)**  
 149 If this Agreement is contingent on Buyer's right to inspect and/or repair the Property, or to verify insurability, environmental conditions,  
 150 boundaries, certifications, zoning classification or use, or any other information regarding the Property, Buyer's failure to exercise any of  
 151 Buyer's options within the times set forth in this Agreement is a WAIVER of that contingency and Buyer accepts the Property and agrees to  
 152 the RELEASE in paragraph 24 of this Agreement.
- 153 7. **INSPECTIONS (8-08)**  
 154 (A) Seller will provide access to insurers' representatives, surveyors, municipal officials, inspectors, architects, contractors or any Buyer's represen-  
 155 tative. If Buyer is obtaining mortgage financing, Seller will provide access to the Property to appraisers and others reasonably required by mort-  
 156 gage lender(s). Access shall not be unreasonably withheld but shall be subject to advance notice and mutual scheduling. Buyer may attend any  
 157 inspections.  
 158 (B) All inspectors, including home inspectors, are authorized by Buyer to provide a copy of any inspection report to Broker for Buyer  
 159 (C) Seller has the right, upon request, to receive without charge a copy of any inspection report from the party for whom it was prepared

160 Buyer Initials: \_\_\_\_\_ ASNC Page 3 of 8 Seller Initials: \_\_\_\_\_

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163 (D) Buyer reserves the right to make a pre-settlement walk-through inspection of the Property when the Property is substantially complete. Seller will  
164 notify Buyer prior to settlement of the date and time of Buyer's pre-settlement walk-through inspection of the Property. Buyer's right to make this  
165 inspection is not waived by any other provision of this Agreement.

166 1. At the pre-settlement inspection, Buyer and Seller will complete and sign a list of items (punch list) to be completed, modified, or replaced  
167 within \_\_\_\_\_ days (30 if not specified) after settlement. Items that cannot be completed, modified, or replaced within \_\_\_\_\_ days (30 if not  
168 specified) of settlement due to events beyond Seller's reasonable control will be completed by Seller as soon as is reasonably possible, not  
169 to exceed \_\_\_\_\_ days (365 if not specified) after settlement. This paragraph will survive settlement.

170 2. Buyer's failure to inspect the Property on the date of the scheduled pre-settlement inspection or Buyer's failure to complete and sign the pre-  
171 settlement inspection form constitutes a waiver of Buyer's right to inspect the Property, and Buyer will accept the Property at settlement in  
172 its then present condition without obligation of modification or replacement.

173 3. Seller will have the following utilities turned on for pre-settlement walk-through inspection. Buyer may elect to activate any additional utilities.

174  Natural Gas                       Propane                       Oil                       Water  
175  Sewage                       Electricity                       \_\_\_\_\_                       \_\_\_\_\_

176 **8. WOOD INFESTATION CERTIFICATION (11-00)**

177 Seller will provide evidence that there are no wood-boring insects on the Property, if required by lender. If a wood infestation inspection is required,  
178 Buyer agrees to reimburse Seller for the cost of the inspection. If active infestation(s) exists, Seller agrees, at Seller's expense and before settlement,  
179 to treat for active infestation(s), in accordance with applicable laws.

180 **9. RADON MITIGATION SYSTEM (11-00)**

181  Seller will not install preparatory work for a radon mitigation system. (See Radon Notice)  
182  Seller will install preparatory work for a radon mitigation system. (See Radon Notice) \_\_\_\_\_  
183 \_\_\_\_\_  
184 \_\_\_\_\_

185 **10. STATUS OF WATER (11-00)**

186 Seller represents that at the time of settlement this property will be served by:  
187  Public Water – Name of Service Provider   Pennsylvania American Water Company    
188  On-site Well Water which meets applicable governmental standards (See Water Service Notice)  
189  Community Water \_\_\_\_\_  
190 \_\_\_\_\_

191 **11. STATUS OF SEWER (9-05)**

192 Seller represents that at the time of settlement this property will be served by:  
193  Public Sewer – Name of Service Provider   West Hanover Water & Sewer    
194  Individual On-lot Sewage Disposal System (see Sewage Notice 1)  
195  Community Sewage Disposal System  
196  Ten-Acre Permit Exemption (see Sewage Notice 2)  
197  Holding Tank (see Sewage Notice 3)  
198 \_\_\_\_\_

199 **12. NOTICES, ASSESSMENTS & CERTIFICATES OF OCCUPANCY (8-08)**

200 (A) Seller represents, as of the date Seller signed this Agreement, that no public improvement, condominium or homeowner association assessments  
201 have been made against the Property which remain unpaid, and that no notice by any government or public authority has been served upon Seller  
202 or anyone on Seller's behalf, including notices relating to violations of zoning, housing, building, safety or fire ordinances that remain uncorrected,  
203 and that Seller knows of no condition that would constitute a violation of any such ordinances that remain uncorrected, unless otherwise speci-  
204 fied here \_\_\_\_\_

205 (B) Seller knows of no other potential notices (including violations) and/or assessments except as follows \_\_\_\_\_  
206 \_\_\_\_\_

207 (C) Seller will be responsible for any notice of improvements or assessments received on or before the date of settlement

208 (D) Access to a public road may require issuance of a highway occupancy permit from the Department of Transportation

209 (E) All necessary permits will be obtained and paid for by Seller prior to settlement.

210 (F) Seller will comply with all restrictions and requirements imposed by any governmental authorities.

211 **13. TITLE, SURVEYS & COSTS (8-08)**

212 (A) The Property will be conveyed with good and marketable title as is insurable by a reputable title insurance company at the regular rates, free and  
213 clear of all liens, encumbrances, and easements, EXCEPTING HOWEVER the following existing deed restrictions, historic preservation res-  
214 trictions or ordinances; building restrictions; ordinances; easements of roads; easements visible upon the ground, easements of record; and priv-  
215 ileges or rights of public service companies, if any.

216 (B) Buyer will pay for the following: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation;  
217 (2) Flood insurance, fire insurance with extended coverage, mine subsidence insurance, or any fee for cancellation, (3) Appraisal fees and  
218 charges paid in advance to mortgage lender; (4) Buyer's customary settlement costs and accruals, (5) Initiation fee or capital funding fee, if any.

219 (C) Any survey or surveys required by the title insurance company or the abstracting attorney for preparing an adequate legal description of the Prop-  
220 erty (or the correction thereof) will be obtained and paid for by Seller. Any survey or surveys desired by Buyer or required by the mortgage lender  
221 will be obtained and paid for by Buyer.

222  
223  
224  
225  
226

Buyer Initials: \_\_\_\_\_

Seller Initials: \_\_\_\_\_

- 227 (D) If Seller is unable to give a good and marketable title and such as is insurable by a reputable title insurance company at the regular rates, as specified in  
 228 paragraph 13 (A), Buyer will:  
 229 1. Accept the Property with such title as Seller can give, with no change to the purchase price, and agree to the RELEASE in paragraph 24 of this  
 230 Agreement. OR  
 231 2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 29 of this  
 232 Agreement. Upon termination, Seller will reimburse Buyer for any costs incurred by Buyer for any inspections or certifications obtained accord-  
 233 ing to the terms of this Agreement, and for those items specified in paragraph 13 (B) items (1), (2), (3) and in paragraph 13 (C).  
 234 (E) The Property is being conveyed subject to the subdivision plan with any restriction and condition thereon, including but not limited to: grading  
 235 plans, showing the location and contour of the lot being purchased, storm drainage plans including piping and easements, alluvial soils, conser-  
 236 vation easements, wetlands, or 100 year flood plain conditions on or surrounding Buyer's lot (See Notices and Information on Property Condi-  
 237 tion Inspection)

238 **14. ZONING CLASSIFICATION (11-00)**

239 Failure of this Agreement to contain the zoning classification (except in cases where the property (and each parcel thereof, if subdividable) is zoned  
 240 solely or primarily to permit single-family dwellings) will render this Agreement voidable at the option of the Buyer, and, if voided, any deposits ten-  
 241 dered by the Buyer will be returned to the Buyer without any requirement for court action.

242 **Zoning Classification: Residential**

243 **15. LANDSCAPING & DRIVEWAY (8-08)**

244 (A) Seller will attempt to preserve as many of the existing trees or shrubs as reasonably possible during the construction of the improvements and house  
 245 on the premises. It is expressly agreed that Seller does not guarantee or warrant the survival of any trees or shrubs existing on the premises prior  
 246 to construction. Any existing trees or shrubs that may die after settlement are the sole responsibility of Buyer.

247 (B) Seller will be responsible for top soil, rough grade, fine grade, seeding and stabilization unless otherwise stated here \_\_\_\_\_  
 248 \_\_\_\_\_

249 Except as modified by the rules of the Homeowners Association or Condominium Association, if any, any soil washouts from rain or melting snow  
 250 or burnouts due to droughts after settlement are the sole responsibility of Buyer. Buyer is responsible for watering, fertilizing and reseeded the  
 251 lawn as necessary after settlement.

252 (C) Buyer acknowledges that due to adverse weather conditions and other events beyond Seller's reasonable control, items including the driveway  
 253 surface, grading and seeding, exterior painting or staining, and exterior concrete surfaces may not be completed at time of settlement. Unless oth-  
 254 erwise agreed, no portion of the purchase price or option payments will be placed in an escrow account or withheld from Seller at settlement to  
 255 compensate for incomplete items. Seller will complete the items within a reasonable time after settlement as weather conditions permit.

256 (D) This paragraph will survive settlement.

257 **16. SUBSTITUTIONS (11-00)**

258 **BUYER AND SELLER ACKNOWLEDGE THAT THE BUILDINGS AND IMPROVEMENTS ON THE PREMISES WILL BE SUBSTAN-**  
 259 **TENTIALLY SIMILAR TO THE ESTABLISHED BUILDING SPECIFICATIONS. BUYER ALSO ACKNOWLEDGES THAT SELLER HAS**  
 260 **THE RIGHT TO MAKE SUBSTITUTIONS OF MATERIALS OR PRODUCTS OF SUBSTANTIALLY EQUAL OR BETTER QUALITY**  
 261 **AT SELLER'S SOLE DISCRETION, WITH NOTICE TO BUYER, AND THAT ACTUAL MATERIALS AND PRODUCTS MAY VARY**  
 262 **FROM SAMPLE MATERIALS AND PRODUCTS.**

263 **17. COAL NOTICE (where applicable)**

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

273 **18. POSSESSION (11-00)**

274 Possession is to be delivered by deed, keys and physical possession to a broom-clean building. The lot and building(s) will be free of debris at day and  
 275 time of settlement

276 **19. RECORDING (9-05)**

277 This Agreement will not be recorded in the Office for the Recording of Deeds or in any other office or place of public record If Buyer causes or per-  
 278 mits this Agreement to be recorded, Seller may elect to treat such act as a breach of this Agreement.

279 **20. ASSIGNMENT (9-05)**

280 This Agreement is binding upon the parties, their heirs, personal representatives, guardians and successors, and to the extent assignable, on the assigns  
 281 of the parties hereto Buyer will not transfer or assign this Agreement without the written consent of Seller unless otherwise stated in this Agreement.

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

- 283  NOT APPLICABLE.  
 284  APPLICABLE. CONDOMINIUM

285 (A) Buyer acknowledges that the Property is a unit of a condominium as defined by the Uniform Condominium Act. Seller is a declarant of the con-  
 286 dominium and is required to provide Buyer with a public offering statement (See Condominium/Uniform Planned Community Notice for defi-  
 287 nitions of declarant, public offering statement, and condominium )

288 (B) The delivery of the public offering statement must be made no later than the date the Buyer executes this Agreement. Buyer may cancel this  
 289 Agreement within fifteen (15) days after receiving the public offering statement and within fifteen (15) days of receipt of any amendment to the  
 290 Statement that materially and adversely affects Buyer.

291  
 292 **Buyer Initials:** \_\_\_\_\_

**Seller Initials:** \_\_\_\_\_

- 293  APPLICABLE: PLANNED COMMUNITY (HOMEOWNER ASSOCIATION)
- 294 (A) Buyer acknowledges that the Property is part of a planned community as defined by the Uniform Planned Community Act. Seller is a declarant
- 295 of the planned community and is required to provide Buyer with a public offering statement (See Condominium/Uniform Planned Community
- 296 Notice for definitions of declarant, public offering statement, and planned community.)
- 297 (B) The declarant must provide Buyer with a copy of the public offering statement and its amendments no later than the date Buyer executes this Agree-
- 298 ment. Buyer may cancel this Agreement within seven (7) days after receiving the public offering statement and within seven (7) days after receiving
- 299 any amendment to the contract that would materially and adversely affect Buyer
- 300 **22. MAINTENANCE & RISK OF LOSS (11-00)**
- 301 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 property in-
- 302 cluded in the sale that is not repaired or replaced prior to settlement, Buyer will have the option of rescinding this Agreement and promptly receiving
- 303 all monies paid on account of purchase price or of extending settlement until such time as Seller can deliver the property in completed condition Buyer
- 304 is hereby notified that Buyer may insure Buyer's equitable interest in this Property as of the time of execution of this Agreement
- 305 **23. GOVERNING LAW, VENUE & PERSONAL JURISDICTION (9-05)**
- 306 (A) The validity and construction of this Agreement, and the rights and duties of the parties, will be governed in accordance with the laws of the Com-
- 307 monwealth of Pennsylvania
- 308 (B) The parties agree that any dispute, controversy or claim arising under or in connection with this Agreement or its performance by either party and not
- 309 settled by mediation or arbitration shall be decided exclusively by and in the state or federal courts sitting in the Commonwealth of Pennsylvania.
- 310 **24. RELEASE (9-05)**
- 311 **Buyer and Seller release, quit claims and forever discharges, ALL BROKERS, their LICENSEES, EMPLOYEES and any OFFICER or PART-**
- 312 **NER of any one of them and any other PERSON, FIRM or CORPORATION who may be liable by or through them, from any and all claims,**
- 313 **losses or demands, including, but not limited to, personal injury and property damage and all of the consequences thereof, whether known or**
- 314 **not, which may arise from the presence of termites or other wood-boring insects, radon, mold, fungi or indoor air quality, environmental haz-**
- 315 **ards, any defects in the individual on-lot sewage disposal system or deficiencies in the on-site water service system, or any defects or conditions**
- 316 **on the Property. This release will survive settlement.**
- 317 **25. WARRANTIES (11-00)**
- 318 (A) **Assignment of Manufacturer's Warranties:** Seller hereby assigns to Buyer the manufacturer's warranties on all appliances, equipment, and other
- 319 consumer products to be installed in or on the Property. Copies of these warranties will be delivered to Buyer. Seller makes no warranties, represen-
- 320 tations or guarantees with respect to the appliances, equipment and consumer products, and all such warranties, representations and guarantees are
- 321 hereby disclaimed. The sole remedy of Buyer as to any such items will be to make such claims as are appropriate under the manufacturer's warranties.
- 322 (B) **Limited Warranty:** Except as set forth in any new construction warranty that may be provided herewith, **SELLER MAKES NO OTHER**
- 323 **REPRESENTATIONS OR WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO**
- 324 **THOSE OF WORKMANLIKE CONSTRUCTION, HABITABILITY, DESIGN, CONDITION, QUALITY OR OTHERWISE AS TO**
- 325 **THE PROPERTY AND THE RESIDENCE AND OTHER IMPROVEMENTS CONSTRUCTED THEREON, AND SELLER HEREBY**
- 326 **EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES.** Buyer hereby acknowledges and accepts such dis-
- 327 claimer and agrees to waive any and all rights Buyer may have by virtue of such representations and warranties. Except for the warranties pro-
- 328 vided by Seller, Buyer assumes the risk of any and all damage occurring in or appearing on the Property from the date of settlement, regardless
- 329 of the cause thereof. Buyer's assumption of this risk is partially in consideration of the amount of the purchase price of the Property which is lower
- 330 than it would be if Seller was to be held responsible for any such risks by virtue of said expressed or implied representations or warranties
- 331 **26. REPRESENTATIONS (8-08)**
- 332 (A) All representations, claims, advertising, promotional activities, brochures or plans of any kind made by Seller, Brokers, their licensees, employ-
- 333 ees, officers or partners are not a part of this Agreement unless expressly incorporated or stated in this Agreement. This Agreement contains the
- 334 whole agreement between Seller and Buyer, and there are no other terms, obligations, covenants, representations, statements or conditions, oral
- 335 or otherwise, of any kind whatsoever concerning this sale. This Agreement will not be altered, amended, changed or modified except in writing
- 336 executed by the parties
- 337 (B) Buyer acknowledges that Brokers, their licensees, employees, officers or partners have not made an assessment of the plan, drawings, specifica-
- 338 tions, or such documents as have bearing on the nature and quality of the structures to be built by Seller. Furthermore, Brokers, their licensees,
- 339 employees, officers, and partners make no representation with respect to permits or such other evidence of government approval for the construction
- 340 of the structures to be built by Seller, or of the environmental conditions, the permitted uses, the financial condition of Seller, or the conditions
- 341 existing in the locale where the property is situated nor have they made an inspection of the components, appliances, systems, or consumer prod-
- 342 ucts to be installed in or about the Property
- 343 (C) Broker(s) have provided or may provide services to assist unrepresented parties in complying with this Agreement.
- 344 **27. TIME PERIODS (8-08)**
- 345 (A) Dates and times referred to for the performance of any of the obligations of this Agreement are agreed to be of the essence of this Agreement
- 346 and are binding, unless otherwise specified.
- 347 (B) For the purposes of this Agreement, the number of days will be counted from the date of execution, by excluding the day this Agreement was
- 348 executed and including the last day of the time period.
- 349 (C) Certain time periods are pre-printed in this Agreement as a convenience to the Buyer and Seller. Any pre-printed time periods are negotiable and
- 350 may be changed by striking out the pre-printed text and inserting a different time period acceptable to all parties.

351  
352  
353 Buyer Initials: \_\_\_\_\_

ASNC Page 6 of 8

Seller Initials: \_\_\_\_\_

Revised 08/08

354 **28. DEFAULT (9-05)**

- 355 (A) Seller has the option of retaining all sums paid by Buyer, including the deposit monies, should Buyer:
- 356 1 Fail to make any additional payments as specified in paragraph 3, OR
- 357 2. Furnish false or incomplete information to Seller, Broker(s), or any other party identified in this Agreement concerning Buyer's legal or fi-
- 358 nancial status. OR
- 359 3 Violate or fail to fulfill and perform any other terms or conditions of this Agreement
- 360 (B) **Unless otherwise checked in paragraph 28 (C), Seller may elect to retain those sums paid by Buyer, including deposit monies:**
- 361 1 On account of purchase price. OR
- 362 2 As monies to be applied to Seller's damages. OR
- 363 3 As liquidated damages for such breach
- 364 (C)  **SELLER IS LIMITED TO RETAINING SUMS PAID BY BUYER, INCLUDING DEPOSIT MONIES, AS LIQUIDATED DAMAGES.**
- 365 (D) If Seller retains all sums paid by Buyer, including deposit monies, as liquidated damages pursuant to paragraph 28 (B) or (C), Buyer and Seller
- 366 are released from further liability or obligation and this Agreement is VOID.

367 **29. TERMINATION & RETURN OF DEPOSITS (8-08)**

- 368 (A) Where Buyer terminates this Agreement pursuant to any right granted by this Agreement, all deposit monies paid on account of purchase price
- 369 will be returned to Buyer and this Agreement will be VOID. The broker holding the deposit monies may only release the deposit monies accord-
- 370 ing to the terms of a fully executed written agreement between Buyer and Seller and as permitted by the Rules and Regulations of the State Real
- 371 Estate Commission
- 372 (B) If there is a dispute over entitlement to Broker-held deposit monies, a broker is not legally permitted to determine if a breach occurred or which
- 373 party is entitled to deposit monies. A broker holding the deposit monies is required by the Rules and Regulations of the State Real Estate Com-
- 374 mission to retain the monies in escrow until the dispute is resolved. In the event of litigation over deposit monies, a broker will distribute the monies
- 375 according to the terms of a final order of court or a written agreement of the parties Buyer and Seller agree that, if any broker or affiliated li-
- 376 censee is joined in litigation regarding deposit monies, the attorneys' fees and costs of the broker(s) and licensee(s) will be paid by the party join-
- 377 ing them.
- 378 (C) **Non-refundable pre-paid options/extras/alterations paid pursuant to paragraph 3 (B) (3) are not considered to be deposits and will not be**
- 379 **returned according to paragraph 29 (A), except as provided in paragraph 4(D).**

380 **30. REAL ESTATE RECOVERY FUND (9-05)**

381 A Real Estate Recovery Fund exists to reimburse any persons who have obtained a final civil judgment against a Pennsylvania real estate licensee owing  
382 to fraud, misrepresentation, or deceit in a real estate transaction and who have been unable to collect the judgment after exhausting all legal and equi-  
383 table remedies. For complete details about the Fund, call (717) 783-3658 or (800) 822-2113 (within Pennsylvania) and (717) 783-4834 (outside Penn-  
384 sylvania).

385 **31. MEDIATION (9-05)**

- 386 (A) Unless otherwise checked in paragraph 31 (D), Buyer and Seller will submit all disputes or claims that arise from this Agreement to mediation in
- 387 accordance with the Rules and Procedures of the Home Sellers/Home Buyers Dispute Resolution System Any agreement reached through me-
- 388 diation and signed by the parties will be binding (see Information Regarding Mediation).
- 389 (B) Buyer and Seller have received, read, and understand the Rules and Procedures of the Home Sellers/Home Buyers Dispute Resolution System
- 390 (C) Any agreement to mediate disputes or claims arising from this Agreement will survive settlement.
- 391 (D)  **MEDIATION IS WAIVED.** Buyer and Seller understand that they may choose to mediate at a later date should a dispute or claim arise,
- 392 but that there will be no obligation for any party to do so.

393 **32. SPECIAL PROVISIONS (IFANY)**

394 **Under paragraph 13, Section B. Initiation Fee is \$100.00.**

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Buyer Initials: \_\_\_\_\_

Seller Initials: \_\_\_\_\_

419 33. SPECIAL CLAUSES (11-00)

420 (A) 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:

- 421 1 A one-year written warranty covering the construction will be provided.
- 422 2 The building will be inspected for compliance with the applicable building code or, if none, a nationally recognized model building code. AND
- 423 3 A certificate of occupancy or a certificate of code compliance will be issued for the dwelling
- 424

425 (B) The following are part of this Agreement if checked:

- |   |   |
|---|---|
| 426 <input type="checkbox"/> Settlement of Other Property Contingency Addendum (PAR Form SOP) | <input type="checkbox"/> Sale & Settlement of Other Property Contingency (with Right to Continue Marketing) (PAR Form SSP-CM) |
| 427 <input type="checkbox"/> Sale & Settlement of Other Property Contingency (PAR Form SSP)   |   |
| 428 <input checked="" type="checkbox"/> Addendum to Agreement of Sale                         | <input checked="" type="checkbox"/> Affiliated Business Arrangement Disclosure  |
| 429 <input checked="" type="checkbox"/> Lawn Care & Maintenance Authorization                 | <input checked="" type="checkbox"/> Real Estate Tax Notice for New Construction   |

430 (C) The following exhibits are made part of this Agreement if checked:

- |  |   |
|--|---|
| 431 <input type="checkbox"/> Plot Plan of Lot                | <input type="checkbox"/> Options/Extras/Alterations                         |
| 432 <input type="checkbox"/> House Plan/Floor Plan/Elevation | <input checked="" type="checkbox"/> New Construction Warranty               |
| 433 <input type="checkbox"/> Floor Plan Reversed             | <input checked="" type="checkbox"/> Restrictive Covenants/Deed Restrictions |
| 434 <input type="checkbox"/> Building Specifications         | <input type="checkbox"/> Standard Features                                  |
| 435 <input type="checkbox"/> _____                           | <input type="checkbox"/> _____  |
| 436 <input type="checkbox"/> _____                           | <input checked="" type="checkbox"/> Settlement Information Sheet            |

437  
438 Buyer and Seller acknowledge receipt of a copy of this Agreement at the time of signing.

439  
440 NOTICE TO PARTIES: WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT. Parties to this transaction are advised to consult  
441 an attorney before signing if they desire legal advice.

442  
443 Return of this Agreement, and any addenda and amendments, including return by electronic transmission, bearing the signatures of all parties, constitutes acceptance by the parties.

- 444
- 445
- 446  Buyer has received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code §35.336.
- 447  Buyer has received a statement of Buyer's estimated closing costs before signing this Agreement.
- 448  Buyer has read and understands the notices and explanatory information in this Agreement.
- 449  Buyer has received the Deposit Money Notice (for cooperative sales when Broker for Seller is holding deposit money) before signing this Agreement.
- 450

451  
452 BUYER'S MAILING ADDRESS: \_\_\_\_\_  
453 \_\_\_\_\_

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455 WITNESS \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
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457 WITNESS \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
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459 WITNESS \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
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461 SELLER'S MAILING ADDRESS: \_\_\_\_\_  
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463  
464 WITNESS \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_  
465 **Hershey Road Associates, LP**

466 WITNESS \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_  
467

468 WITNESS \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

Buyer Initials: \_\_\_\_\_

Seller Initials: \_\_\_\_\_

## NOTICES AND INFORMATION

### COMMUNICATIONS WITH BUYER AND/OR SELLER

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

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

### NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW)

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

### INFORMATION REGARDING REAL ESTATE TAXES (Paragraph 3: Terms)

**Real Estate Tax Proration:** For purposes of prorating real estate taxes, the "periods covered" by the tax bills are as follows:

Municipal Taxes: For all counties and municipalities in Pennsylvania, tax bills are for the period January 1 to December 31.  
School Taxes: For all school districts, other than the Philadelphia, Pittsburgh and Scranton school districts, the period covered by the tax bill is July 1 to June 30. For the Philadelphia, Pittsburgh and Scranton school districts, tax bills are for the period January 1 to December 31.

**Real Estate Assessment Notice:** In Pennsylvania, taxing authorities (school districts and municipalities) and property owners may appeal the assessed value of a 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 for the property and an increase in property taxes. Also, periodic county-wide property reassessments may change the assessed value of the property and result in a change in property tax.

**Interim Tax Assessment:** It is traditional for a property's value to be reassessed (to include the value of any buildings and improvements) at or after the time a use and occupancy permit is issued.

### NOTICE TO BUYERS SEEKING MORTGAGE FINANCING (Paragraph 5: Mortgage Contingency)

The appraised value of the Property is used in determining the maximum amount of the loan and may be different from the purchase price and/or market value.

### NOTICES AND INFORMATION ON PROPERTY CONDITION INSPECTIONS (Paragraph 7: Inspections)

#### Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

#### PROPERTY INSPECTION NOTICES

**Property Inspection:** Inspections of the Property can be performed by professional contractors or a home inspector, and may include inspections of: structural components; roof; exterior windows and exterior doors; exterior siding, fascia, gutters, and downspouts; appliances; electrical, plumbing, heating, and cooling systems; water penetration; and any other items Buyer may select. Other inspections or certifications might include: Environmental Hazards (e.g., Mold, Indoor Air Quality, Asbestos, Underground Storage Tanks, etc.), Electromagnetic Fields, Wetlands Inspection, Flood Plain Verification, Property Boundary/Square Footage Verification, and any other items Buyer may select. Buyer is advised to investigate easements, deed and use restrictions (including any historic preservation restrictions or ordinances) that apply to the Property and to review local zoning ordinances.

**Flood Plains:** If the Property is located in a flood plain, Buyer may be required to carry additional insurance.

**Property Boundary / Square Footage:** Seller has not had the Property surveyed. Any fences, hedges, walls and other natural or constructed barriers may or may not represent the true boundary lines of the Property. Any numerical representations of square footage of the structure(s) and/or lot size are approximations only and may be inaccurate. If Buyer wishes to verify the Property's boundaries or square footage, Buyer is advised to engage a professional surveyor or obtain an independent measurement of the structure(s) and/or lot size.

**Water Service:** Buyer may elect to have the water service inspected by a professional water testing company. In addition, on-site water service systems may have to meet certain quality and/or quantity requirements set by the municipality or the lender.

**Wood-Destroying Insect Infestation:** Insects whose primary source of food is wood, such as termites, wood-boring beetles, carpenter ants, carpenter bees, and certain other insects, can cause damage to the wood structure of a residence. Termite and Pest Control companies are available to make inspections to determine whether wood-destroying insects are present. Because of the way these insects function, damage to wood may be hidden. Careful selection should be made of skilled experts in the termite/pest control field to insure a proper determination of whether wood-boring insects or resultant damage is present.

**Exterior Insulation and Finish Systems (EIFS):** Exterior Insulation and Finish Systems—sometimes referred to as synthetic stucco—are multi-layered wall systems applied to the exterior of some homes. Poor or improper installation of EIFS may result in moisture penetrating the surface of a structure where it may cause damage to the building's frame. Leakage most frequently occurs near doors and windows, gutters, the roof connection and at the lowermost edge of the exterior surface. Vulnerability to leakage depends on structure design as well as the expertise and application skills of the contractor. Damage caused by water intrusion may be both extensive and expensive to repair but may go undetected in the absence of an adequate inspection. Buyers purchasing homes with EIFS construction may seek to engage an inspector experienced in testing for EIFS-related problems who can determine the moisture content of the building's frame.

#### ENVIRONMENTAL NOTICES

**Electromagnetic Fields:** Electromagnetic Fields (EMFs) occur around all electrical appliances and power lines. Conclusive evidence that EMFs pose health risks does not exist at present, and Pennsylvania has no laws regarding this issue.

**Environmental Hazards:** The U.S. Environmental Protection Agency has a list of hazardous substances, the use and disposal of which are restricted by law. Generally, if hazardous substances are found on a property, it is the property owner's responsibility to dispose of them properly. For more information and a list of hazardous substances, contact the U.S. Environmental Protection Agency Region 3, 1650 Arch Street (3PM52), Philadelphia, PA 19103-20029, (800) 438-2474.

**Wetlands:** Wetlands are protected by both the federal and state governments. Buyer may wish to hire an environmental engineer to investigate whether the Property is located in a wetlands area to determine if permits for plans to build, improve or develop the property would be affected or denied because of its location in a wetlands area.

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

**Mold/Fungi and Indoor Air Quality:** Indoor mold contamination and the inhalation of bioaerosols (bacteria, mold spores, pollen, and viruses) have been associated with allergic responses including upper respiratory congestion, cough, mucous membrane irritation, fever, chills, muscle ache or other transient inflammation or allergy. Claims have been asserted that exposure to mold contamination and bioaerosols has led to serious infection, immunosuppression and illnesses of neuro or systemic toxicity. Sampling of indoor air quality and other methods exist to determine the presence and scope of any indoor contamination. Because individuals may be affected differently, or not affected at all, by mold contamination, the surest approach to determine the presence of contamination is to engage the services of a qualified professional to undertake an assessment and/or sampling. Assessments and samplings for the presence of mold contamination can be performed by qualified industrial hygienists, engineers, laboratories and home inspection companies that offer these services. Information pertaining to indoor air quality is available through the United States Environmental Protection Agency and may be obtained by contacting IAQ INFO, P.O. Box 37133, Washington, D.C. 20013-7133, 1-800-438-4318.

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

### (Paragraph 7: Inspections)

**Applicability:** The Home Inspection Law applies to “residential real estate transfers,” defined as a sale, exchange, installment sales contract, lease with an option to buy, grant or other transfer of an interest in real property where NOT LESS THAN ONE AND NOT MORE THAN FOUR RESIDENTIAL DWELLING UNITS are involved.

**The following definitions are taken from the text of the Home Inspection Law**

**Home Inspection:** A non-invasive, visual examination of some combination of the mechanical, electrical or plumbing systems or the structural and essential components of a residential dwelling designed to identify material defects in those systems and components, and performed for a fee in connection with or preparation for a proposed or possible residential real estate transfer. The term also includes any consultation regarding the Property that is represented to be a home inspection or that is described by any confusingly similar term. The term does not include an examination of a single system or component of a residential dwelling such as, for example, its electrical or plumbing system or its roof. The term also does not include an examination that is limited to inspection for, or of, one or more of the following: wood-destroying insects, underground tanks and wells, septic systems, swimming pools and spas, alarm systems, air and water quality, tennis courts and playground equipment, pollutants, toxic chemicals and environmental hazards. The scope of a home inspection, the services to be performed and the systems and conditions to be inspected or excluded from inspection may be defined by a contract between the home inspector and the client.

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

A home inspection report shall include:

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

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

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

Seller shall have the right, upon request, to receive without charge a copy of any inspection report from the party for whom it was prepared.

**Home inspector:** An individual who performs a home inspection.

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

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

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

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

**SEWAGE NOTICES  
NOTICES PURSUANT TO THE PENNSYLVANIA SEWAGE FACILITIES ACT**

**(Paragraph 11: Status of Sewer)**

- NOTICE 1:** **THERE IS NO CURRENTLY EXISTING COMMUNITY SEWAGE SYSTEM AVAILABLE FOR THE SUBJECT PROPERTY.** Section 7 of the Pennsylvania Sewage Facilities Act provides that no person will install, construct, request bid proposals for construction, alter, repair or occupy any building or structure for which an individual sewage system is to be installed, without first obtaining a permit. Buyer is advised by this notice that, before signing this Agreement, Buyer should contact the local agency charged with administering the Act to determine the procedure and requirements for obtaining a permit for an individual sewage system. The local agency charged with administering the Act will be the municipality where the Property is located or that municipality working cooperatively with others.
- NOTICE 2:** **THIS PROPERTY IS SERVICED BY AN INDIVIDUAL SEWAGE SYSTEM INSTALLED UNDER THE TEN-ACRE PERMIT EXEMPTION PROVISIONS OF SECTION 7 OF THE PENNSYLVANIA SEWAGE FACILITIES ACT.** (Section 7 provides that a permit may not be required before installing, constructing, awarding a contract for construction, altering, repairing or connecting to an individual sewage system where a ten-acre parcel or lot is subdivided from a parent tract after January 10, 1987.) Buyer is advised that soil and site testing were not conducted and that, should the system malfunction, the owner of the Property or properties serviced by the system at the time of a malfunction may be held liable for any contamination, pollution, public health hazard or nuisance which occurs as a result.
- NOTICE 3:** **THIS PROPERTY IS SERVICED BY A HOLDING TANK (PERMANENT OR TEMPORARY) TO WHICH SEWAGE IS CONVEYED BY A WATER CARRYING SYSTEM AND WHICH IS DESIGNED AND CONSTRUCTED TO FACILITATE ULTIMATE DISPOSAL OF THE SEWAGE AT ANOTHER SITE.** Pursuant to the Pennsylvania Sewage Facilities Act, Seller must provide a history of the annual cost of maintaining the tank from the date of its installation or December 14, 1995, whichever is later.
- NOTICE 4:** **AN INDIVIDUAL SEWAGE SYSTEM HAS BEEN INSTALLED AT AN ISOLATION DISTANCE FROM A WELL THAT IS LESS THAN THE DISTANCE SPECIFIED BY REGULATION.** The regulations at 25 Pa. Code §73.13 pertaining to minimum horizontal isolation distances provide guidance. Subsection (b) of §73.13 states that the minimum horizontal isolation distance between an individual water supply or water supply system suction line and treatment tanks shall be 50 feet. Subsection (c) of §73.13 states that the horizontal isolation distance between the individual water supply or water supply system suction line and the perimeter of the absorption area shall be 100 feet.
- NOTICE 5:** **THIS LOT IS WITHIN AN AREA IN WHICH PERMIT LIMITATIONS ARE IN EFFECT AND IS SUBJECT TO THOSE LIMITATIONS. SEWAGE FACILITIES ARE NOT AVAILABLE FOR THIS LOT AND CONSTRUCTION OF STRUCTURE TO BE SERVED BY SEWAGE FACILITIES MAY NOT BEGIN UNTIL THE MUNICIPALITY COMPLETES A MAJOR PLANNING REQUIREMENT PURSUANT TO THE PENNSYLVANIA SEWAGE FACILITIES ACT AND REGULATIONS PROMULGATED THEREUNDER.**
- NOTICE 6:** **A REQUIRED REVISION FOR NEW LAND DEVELOPMENT, OR AN EXCEPTION TO THE REQUIREMENT TO REVISED OR A REQUIRED SUPPLEMENT HAS NOT BEEN APPROVED FOR THIS LOT. SEWAGE FACILITIES ARE NOT AVAILABLE FOR THIS LOT AND SEWAGE FACILITIES WILL NOT BE AVAILABLE, NOR MAY CONSTRUCTION BEGIN UNTIL SEWAGE FACILITIES PLANNING HAS BEEN APPROVED PURSUANT TO THE PENNSYLVANIA SEWAGE FACILITIES ACT AND REGULATIONS PROMULGATED THEREUNDER.**

## CONDOMINIUM/PLANNED COMMUNITY NOTICE

### (Paragraph 21: CONDOMINIUM/PLANNED COMMUNITY (HOMEOWNER ASSOCIATION) PUBLIC OFFERING STATEMENT)

The **Uniform Condominium Act** defines "condominium" as real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownerships solely by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

The **Uniform Planned Community Act** defines "planned community" as real estate with respect to which a person, by virtue of ownership of an interest in any portion of the real estate, is or may become obligated by covenant, easement or agreement imposed on the owner's interest to pay any amount for real property taxes, insurance, maintenance, repair, improvement, management, administration or regulation of any part of the real estate other than the portion or interest owned solely by the person. The term excludes a cooperative and a condominium, but a cooperative or condominium may be part of a planned community. For the purposes of this definition, "ownership" includes holding a leasehold interest of more than 20 years, including renewal options, in real estate. The term includes non-residential campground communities.

**Fees:** Buyer may be responsible for capital contributions, initiation fees or similar one-time fees in addition to regular monthly maintenance fees.

A condominium or planned community may be created only by recording a **declaration** signed by all persons who have an ownership interest in the real estate that will ultimately be transferred to the individual unit owners. A person, persons, or entity that records the declaration is commonly referred as the **declarant**. The Acts require that a declarant that sells a unit in a condominium or planned community provide the purchaser with a **public offering statement**.

### PUBLIC OFFERING STATEMENT

A public offering statement must be offered for the protection of purchasers. Public offering statements may vary depending upon the nature of the condominium or planned community but will generally contain a brief description of the condominium or planned community including types, numbers, and schedule of commencement/completion of buildings, units, and amenities; the number of additional units that may be included; a description of options reserved by the declarant to withdraw real estate and the effect that withdraw would have; a description of the significant features of the declaration, by-laws, rules and regulations; a balance sheet and projected budget; the initial or special fees that Buyer may owe at closing; the terms and significant limitations of any warranties provided by declarant; a notice of buyer's right to cancel following receipt of the Public Offering Statement; a description of how votes are allocated among unit owners, and other information as required by the Acts. If the condominium or planned community declaration provides that ownership or occupancy of the units may be owned in time-shares, additional information is required to be in the Public Offering Statement, including a summary of the special risks inherent in time-sharing.

#### Exemptions from the Uniform Condominium Act and Uniform Planned Community Act When a Public Offering Statement is Not Required

A declarant is not required to provide the buyer of a condominium or planned community unit with a public offering statement under the following circumstances:

The transfer of the unit is a gratuitous transfer.

The transfer of the unit is required by court order.

The transfer of the result of a disposition by a government or a governmental agency.

The transfer of the unit is the result of a disposition by foreclosure or deed in lieu of foreclosure.

The unit of the condominium is situated wholly outside of the Commonwealth and the contract was also executed outside of the Commonwealth.

## MEDIATION (Paragraph 31: Mediation)

### DISPUTE RESOLUTION SYSTEM RULES AND PROCEDURES

1. **Agreement of Parties** The Rules and Procedures of the Dispute Resolution System (DRS) apply when the parties have agreed in writing to mediate under DRS. The written agreement can be achieved by a standard clause in an agreement of sale, an addendum to an agreement of sale, or through a separate written agreement.
2. **Initiation of Mediation** If a dispute exists, any party may start the mediation process by submitting a completed Request to Initiate Mediation DRS Transmittal Form (Transmittal Form) to the local Association of REALTORS® (hereafter "Administrator"). The Transmittal Form should be available through the Administrator's office. The initiating party should try to include the following information when sending the completed Transmittal Form to the Administrator:
  - a. A copy of the written agreement to mediate if there is one . OR a request by the initiating party to have the Administrator contact the other parties to the dispute to invite them to join the mediation process.
  - b. The names, addresses and telephone numbers of the parties involved in the dispute, including the name of every insurance company known to have received notice of the dispute or claim and the corresponding file or claim number.
  - c. A brief statement of the facts of the dispute and the damages or relief sought.

3. **Selection of Mediator** Within five days of receiving the completed Transmittal Form, the Administrator will send each party to the dispute a copy of the Transmittal Form and a list of qualified mediators and their fee schedules. Each party then has ten days to review the list of mediators, cross off the name of any mediator to whom the party objects, and return the list to the Administrator. The Administrator will appoint the first available mediator who is acceptable to all parties involved.

A mediator who has any financial or personal interest in the dispute or the results of the mediation cannot serve as mediator to that dispute, unless all parties are informed and give their written consent.

4. **Mediation Fees** Mediation fees will be divided equally among the parties and will be paid *before* the mediation conference. The parties will follow the payment terms contained in the mediator's fee schedule.
5. **Time and Place of Mediation Conference** Within ten days of being appointed to the dispute, the mediator will contact the parties and set the date, time and place of the mediation conference. The mediator must give at least twenty days' advance notice to all parties. The mediation conference should not be more than sixty days from the mediator's appointment to the dispute.
6. **Conduct of Mediation Conference**
  - A. The parties attending the mediation conference will be expected to:
    1. Have the authority to enter into and sign a binding settlement to the dispute.
    2. Produce all information required for the mediator to understand the issues of the dispute. The information may include relevant written materials, descriptions of witnesses and the content of their testimony. The mediator can require the parties to deliver written materials and information before the date of the mediation conference.
  - B. The mediator presiding over the conference:
    1. Will impartially conduct an orderly settlement negotiations.
    2. Will help the parties define the matters in dispute and reach a mutually agreeable solution.
    3. Will have no authority to render an opinion, to bind the parties to his or her decision, or to force the parties to reach a settlement.

**Formal rules of evidence will not apply to the mediation conference.**

7. **Representation by Counsel** Any party who intends to be accompanied to the mediation conference by legal counsel will notify the mediator and the other parties of the intent at least ten days before the conference.
8. **Confidentiality** No aspect of the mediation can be relied upon or introduced as evidence in any arbitration, judicial or other proceeding. This includes, but is not limited to, any opinions or suggestions made by any party regarding a possible settlement; any admissions made during the course of the mediation; any proposals or opinions expressed by the mediator; and any responses given by any party to opinions, suggestions, or proposals.

No privilege will be affected by disclosures made in the course of the mediation.

Transcripts or recordings of the mediation will not be allowed without the prior, written consent of all parties and the mediator.

Records, reports, and other documents received or prepared by the mediator or Administrator cannot be compelled by an arbitration, judicial, or other proceeding, with the exception of an agreement that was reached in the course of mediation and signed by all the parties.

Neither the mediator nor the Administrator can be compelled to testify in any proceeding regarding information given or representations made either in the course of the mediation or in any confidential communication.

9. **Mediated Settlement** When a dispute is resolved through mediation, the mediator will put the complete agreement in writing and all parties will sign the written agreement within ten days of the conclusion of the mediation conference. Every reasonable effort will be made to sign the written agreement at the end of the conference.
10. **Judicial Proceedings and Immunity** NEITHER THE ADMINISTRATOR, THE MEDIATOR, THE NATIONAL ASSOCIATION OF REALTORS®, THE PENNSYLVANIA ASSOCIATION OF REALTORS®, NOR ANY OF ITS MEMBER BOARDS, WILL BE DEEMED NECESSARY OR INDISPENSABLE PARTIES IN ANY JUDICIAL PROCEEDINGS RELATING TO MEDIATION UNDER THESE RULES AND PROCEDURES, NOR WILL ANY OF THEM SERVING UNDER THESE PROCEDURES BE LIABLE TO ANY PARTY FOR ANY ACT, ERROR OR OMISSION IN CONNECTION WITH ANY SERVICE OR THE OPERATION OF THE HOME SELLERS/HOME BUYERS DISPUTE RESOLUTION SYSTEM.