

RULES AND REGULATIONS

LEGENDS AT GROVE CITY CONDOMINIUM ASSOCIATION

The terms used herein shall have the same meanings as defined in Declaration of Condominium (the "Declaration"), as the same may be amended from time to time, for the Property known as Legends at Grove City, a condominium, created under and subject to the Pennsylvania Uniform Condominium Act, as amended. All present and future Unit Owners, mortgagees, lessees and occupants of the Units and of the Common Elements and their agents, employees, guests and invitees and any other person or entity who or which may use the facilities of the Property are subject to and bound by these Rules and Regulations, including all amendments thereof. In the event of any inconsistency or conflict between these Rules and Regulations and the Declaration, the provisions of the Amended Declaration shall control.

A. GENERAL.

1. No part of the Property shall be used for any purpose other than residential housing and the common recreational purposes for which the Property was designed. Each Unit shall be used as a residence for a single family dwelling.

2. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements. By way of example and not of limitation, the sidewalks and entrances shall be used only for access to and from the Units and those portions of the Common Elements intended for the use of Unit Owners, and shall not be obstructed. Each Unit Owner shall be obligated to maintain and keep in good order and repair his/her own Unit.

3. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of any of the Buildings, or contents thereof, applicable for residential use. No Unit Owner shall permit anything to be done, or kept in his/her Unit, or in the Common Elements which will result in the cancellation of insurance on any of the Buildings, or contents thereof, or which would be in violation of any law. No Unit Owners shall keep any explosive, combustible or flammable material or substance in his/her Unit without the prior written consent of the Executive Board. No waste shall be committed in and of the Common Elements.

4. Unit Owners shall not cause or permit anything to be hung or displayed on or projected from the outside of windows or placed on the outside walls or doors of a Building. By way of example, this means that no sign, awning, canopy, shutter, radio or television antenna, satellite dish, air conditioner, ventilators or fans, shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window, unless expressly permitted by the Board.

5. Nothing shall be done, including without limitation, working, causing noise, vibration or odors which shall unreasonably disturb, create a nuisance, or interfere with the rights, comfort or convenience of the other occupants of the Building or adjacent Buildings. No noxious or offensive activity shall be carried on in any Unit, or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. By way of further explanation and example:

a. No Unit Owner shall make or permit any disturbing noises in the Buildings by himself/herself, his/her family, servants, employees, agents, visitors and licensees, nor do or permit any activity by such persons that will interfere with the rights, comforts or convenience of other Unit Owners.

b. No Unit Owner shall play upon, or suffer to be played upon, any musical instrument or operate or permit to be operated a phonograph, television set, radio, C.D. player or other electronic or entertainment equipment in or about the Unit or in any of the Common Elements at a volume which is likely to disturb or if the same shall disturb or annoy other occupants of the Buildings.

6. All mechanical or electrical equipment of any kind, shall comply with all rules, requirements, regulations and recommendations of all applicable public authorities, underwriters laboratories, and boards of fire underwriters and manufacturers' instructions. Sinks and toilets shall not be used for any purpose other than that for which each is designed. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of any Building or which would structurally change any of the Buildings.

7. Garbage and refuse shall be deposited only in the containers specified by the Executive Board and only at such times and in such manner as the Executive Board or its agent shall direct. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

8. All personal property shall be stored within the Units. Except in recreational or storage areas designated as such by the Executive Board, there shall be no parking of or leaving unattended the following: playpens, bicycles, wagons, toys, vehicles, benches or chairs, on any part of the Common Elements, except that terraces, patios, and porches may be used for their intended purposes. Storage by Unit Owners in areas designated by the Executive Board shall be at the Unit Owner's risk.

9. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Unit therein nor shall any Unit be used or rented for transient, hotel or motel

purposes, except that "For Sale" signs shall be permitted on the interior surface of the windows of a Unit; said sign not to exceed 18" x 18".

a. Notwithstanding the foregoing, the right is reserved by the Declarant, or its agent, to place "For Sale," "For Rent" or "For Lease" signs on any unsold or unoccupied Unit.

b. Further, the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (2') foot by two (3') feet.

10. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Executive Board.

11. No public hall of any Building shall be decorated or furnished by any Unit Owner in any manner.

12. Each Unit Owner shall keep his/her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, terraces, or patios thereof, any dirt or other substance.

13. The agents of the Executive Board and any contractor or workman authorized by the Executive Board may enter any Unit at any reasonable hour of the day for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests or to conduct maintenance, repair or replacement of Limited Common Elements. The Unit Owner shall be given reasonable notice of the foregoing intent to enter the Unit for such purposes, in non-emergency circumstances.

14. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Executive Board.

15. Rules for the swimming pool and pool area will be promulgated by the Executive Board and all Unit Owners, their families and guests must abide by such rules.

16. No terrace or patio shall be permanently decorated, modified, enclosed or covered by any awning or otherwise without the written consent of the Executive Board.

17. Screen doors or storm doors on an exterior door shall be permitted with the written consent of the Executive Board.

18. Packages of any kind are to be delivered during normal business hours. The Association shall not be responsible for any loss or damage to packages left in the Common Element areas.

19. These Rules and Regulations are adopted pursuant to the Amended Declaration and By-Laws and may be enforced in accordance with those documents.

20. The Executive Board reserves the right to amend these Rules and Regulations as may be required from time to time.

B. PARKING.

1. No occupant of the Building shall abandon any automobile or other vehicle in any parking area or other part of the Common Elements or block the access to any parking spaces.

2. No unattended vehicles shall be left at any time in such a manner as to impede access to parking spaces or to impede traffic.

3. Traffic regulations posted by municipal authorities or adopted by the Executive Board shall be strictly obeyed by the Unit Owners, their agents, servants, employees, guests and invitees. Vehicles parking in violation of any such rules or regulations may be towed away at the Unit Owner's sole risk and expense.

4. The exterior parking area is for the use of Unit Owners and guests and limited to the parking of passenger vehicles.

5. The exterior parking lot may not be used for storage of any truck, tractor, mobile home, camper, boat or any vehicle other than a passenger car. All vehicles left in the parking lot must be licensed and in operating condition.

6. There shall be no outside storage upon any Limited or General Common Element of any automobile, truck, tractor, mobile home, camper, boat, motorcycle, recreational vehicle, or other transportation device of any kind and gardening or construction equipment (collectively, "Vehicle"), unless approved by the Executive Board in the Rules and Regulations hereinafter adopted. No Unit Owners or tenants of Unit Owners shall repair or restore any Vehicle of any kind upon any Limited or General Common Element except for normal washing and cleaning of or emergency repairs to such Vehicle. Such repairs to the Vehicle must be truly emergency in nature, in which case there shall be prompt attention to the Vehicle by competent Vehicle repair persons, no fluids may be changed or discharged, and such repairs shall be effected as expeditiously as possible, but certainly within six (6) hours of the commencement of the repair, but in no event shall repairs continue past 8:00 P.M., and in all other circumstances the Vehicle must be removed from the Real Estate for

repair to occur elsewhere. In addition, the Executive Board shall have the right to adopt further detailed Rules and Regulations concerning parking and the operation of vehicles on the Property.

7. Motorbikes, go-carts, snow mobiles or similar motor-powered vehicles shall not be operated on any portion of the Limited or General Common Elements, except that golf carts shall be permitted on designated pathways. State licensed motorcycles for street use shall be permitted.

8. In addition, the Executive Board shall have the right to adopt further detailed Rules and Regulations concerning parking and the operation of vehicles on the Property.

C. PETS.

1. No animals or reptiles of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that dogs, cats or other household pets may be kept in the Unit for companionship purposes, in accordance with these Rules. Such household pets shall not exceed one (1) per Unit, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property subject to these restrictions upon three (3) days written notice from the Executive Board. In no event shall any dog or cat owned or under the care of a Unit Owner or his/her guest or invitee, be permitted in any portion of the Common Elements unless carried or on a leash. Pets must be leashed. Leashes may not exceed six (6') feet in length.

2. Actions that will constitute a nuisance include, but are not limited to, abnormal or unreasonable crying, barking, scratching or unhygienic offensiveness.

3. Each pet must be registered and inoculated as required by law and registered with the Association office.

4. Unit Owners shall be personally responsible for any personal injuries or property damage caused by any pet associated with such Unit. Each Unit Owner shall indemnify and hold harmless the Association from any claims made as a result of the action of such pet.

5. Pets walked on the Common Elements must be promptly cleaned-up after and the Unit Owner associated with shall be responsible for such pets' droppings.

6. The Association may require the permanent removal of any pet violating these Rules upon written notice to the Unit Owner and/or the Executive Board may levy a reasonable fine on account of such violation(s).

D. LEASING.

1. All leases must be on a form approved by the Executive Board, or have attached a rider which will be supplied by the Executive Board, upon request. The leases must have a minimum term of one (1) year and otherwise contain appropriate safeguards against transients.
2. Copies of all leases shall be sent to the Executive Board.
3. The leasing of a Unit shall not release or discharge the Unit Owner from any duties and obligations as a Unit Owner.
4. The Unit shall be occupied by the tenant as a private residence.
5. Tenant(s) of any Unit shall read and agree to comply with all terms and conditions of the Amended Declaration, the By-Laws, the Rules and Regulations; and all documents related to the Condominium; which documents shall be made part of the lease.
6. All leases and/or renewals must be in a written form acceptable to the Executive Board, and a copy of said current lease and/or renewal kept on file with the Association. All pertinent lease terms must be disclosed, except that the economic terms need not be disclosed.
7. Unit Owners must notify the Association no later than thirty (30) days after any change in occupants of the Unit, and provide the Association with the following:
 - (a) the name, telephone number and the then-applicable and current address of the Unit Owner, in the event that the Unit Owner is no longer residing in the Unit;
 - (b) the names and day time and evening telephone numbers of all occupants of the Unit;
 - (c) a true and correct copy of an acceptable lease agreement or rider containing terms related to the Condominium as required herein, by the Amended Declaration and By-Laws, and by the Executive Board; and
 - (d) the name, address and telephone number of a family member, friend, trust officer or person authorized to act for the Unit Owner in an emergency should the Unit Owner be unavailable, no longer residing in the Unit or physically unable to act.
8. Failure to comply with these leasing rules shall result in a fine of Fifty (\$50.00) Dollars for each month of violation. Fines will be imposed from the date of violation.

9. Any Unit Owner shall be permitted to cure violations within thirty (30) days from the date of the violation notice and avoid imposition of a fine.

Adopted this _____ day of _____, 20__.

WITNESS:

LEGENDS OF GROVE CITY, L.L.C.

By _____

EXHIBIT 4

SAMPLE: This is a sample of the deed to be used. The actual deed in each transaction will identify the property as being located in either Pine or Liberty or partially in both.

CONDOMINIUM DEED

MADE the ____ day of _____, 2004, between **LEGENDS AT GROVE CITY, L.L.C.**, a Pennsylvania limited liability company, (hereinafter called "Grantor"),

A

N

D

_____, (hereinafter called "Grantee").

WITNESSETH, that the Grantor, in consideration of \$ _____ now paid by the Grantee does hereby grant, bargain, sell and convey unto the said Grantee, heirs and assigns:

Building No. _____; Unit No. _____ in the LEGENDS AT GROVE CITY CONDOMINIUM situate in Pine Township (or Liberty Township), Mercer County, Pennsylvania, the Declaration of Condominium thereof being recorded in the office of the Recorder of Deeds of Mercer County, Pennsylvania in Deed Book Volume _____, page _____.

The Plats and Plans thereof being recorded in said Recorder's Office in Plan Book Volume _____, page _____.

TOGETHER with an undivided interest in the Common Elements appurtenant thereto as set forth in said Declaration of Condominium, and any amendments thereto.

TOGETHER with the right to sue the Limited Common Elements shown on the Plats and Plans pursuant to the Declaration of Condominium.

UNDER AND SUBJECT, nevertheless, to the rights and powers of the Executive Board as defined in the Declaration of Condominium.

The Grantee, for self, his/her heirs, personal representatives, successors and assigns, by the acceptance of this deed covenants and agrees to pay such charges for the maintenance of, repairs to, replacement of and expenses in connection with the Common Elements as may be assessed from time to time by the Executive Board in accordance with the Uniform Condominium Act of Pennsylvania, and shall be subject to a charge for all amounts so assessed, and that this covenant shall run with and bind the Unit hereby conveyed and all subsequent owners thereof.

Grantee, for self, his/her heirs, personal representatives, successors and assigns, by the acceptance of this deed covenants and agrees to be bound by and governed by the Declaration of Condominium for Legends at Grove City Condominium, and the By-Laws of said Condominium, as they may be from time to time amended, and all matters set forth therein, and any Rules and Regulations adopted pursuant thereto.

SUBJECT to coal and mining rights and all rights relating thereto; rights-of-way, building and use restrictions, easements and covenants and the rights of others therein, as set forth in prior instruments of record and any covenants and conditions as set forth in the Declaration, Plats and Plans and By-Laws above recited.

BEING a part of the same property which

TOGETHER with the appurtenances: **TO HAVE AND TO HOLD** the same unto and for the use of the said Grantee, his/her heirs and assigns forever. And the said Grantor covenants that it will warrant **GENERALLY** the property herein conveyed.

NOTICE - THIS DOCUMENT MAY NOT/DOES NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE/HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984, as amended, and is not intended as notice of unrecorded instruments if any.)

WITNESS the due execution hereof the day and year first above written.

ATTEST:

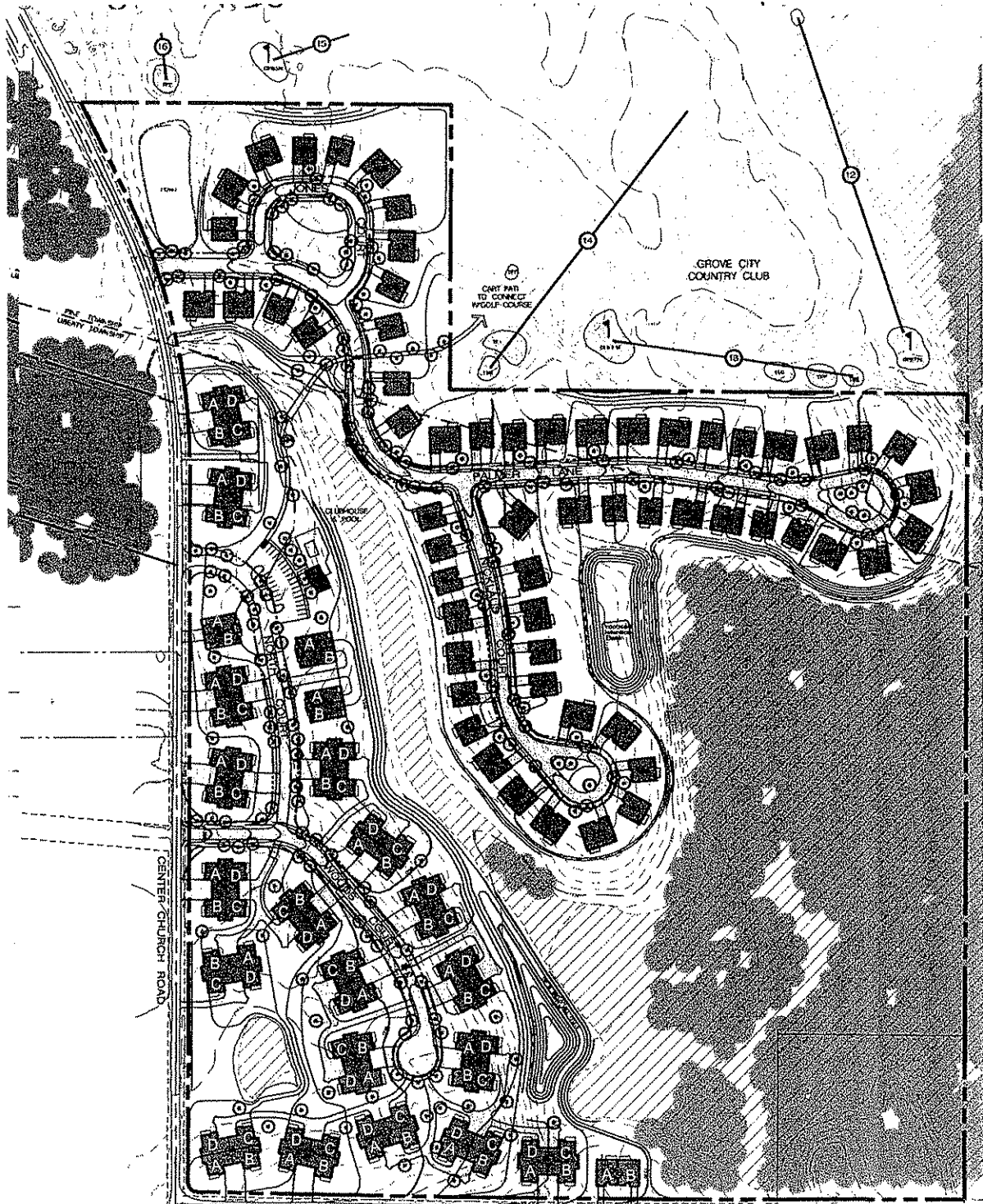
LEGENDS AT GROVE CITY CONDOMINIUM
By: Legends at Grove City, L.L.C.

By: _____

EXHIBIT 5

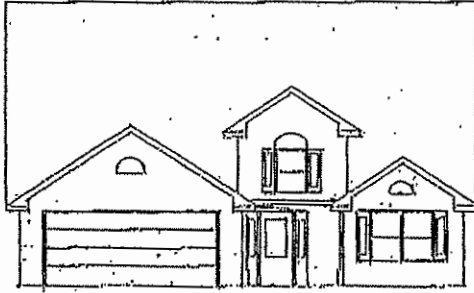


Legends

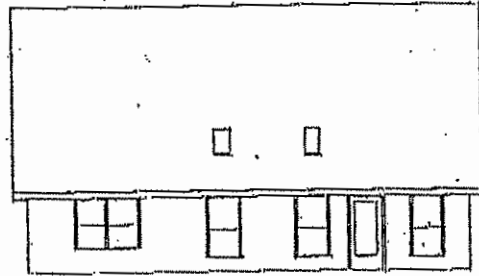


LEGENDS AT GROVE CITY ELEVATION AND SECTION

DAWSON MODEL



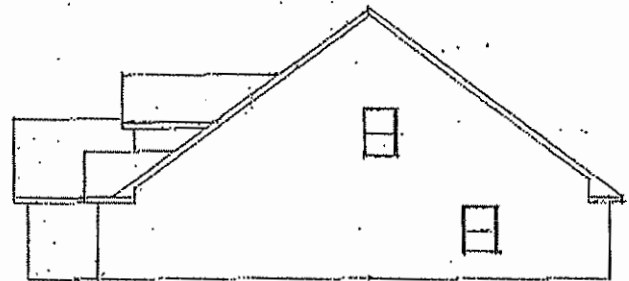
FRONT ELEVATION



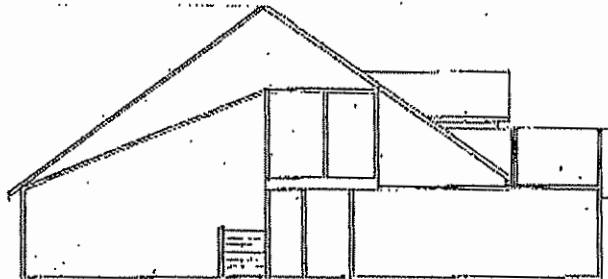
REAR ELEVATION



LEFT ELEVATION



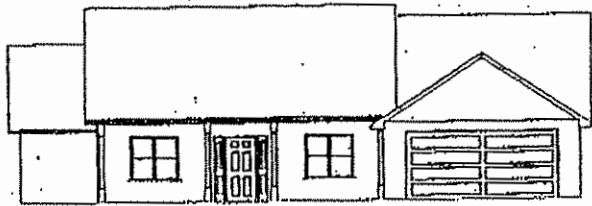
RIGHT ELEVATION



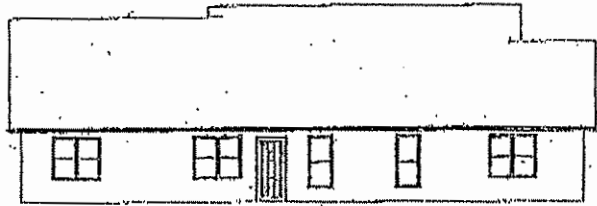
SECTION

LEGENDS AT GROVE CITY ELEVATION AND SECTION

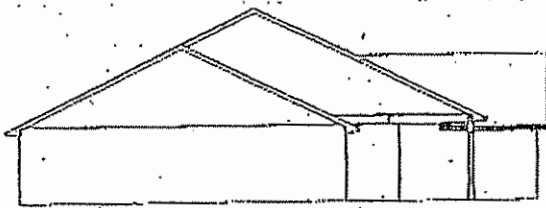
ALBANY MODEL



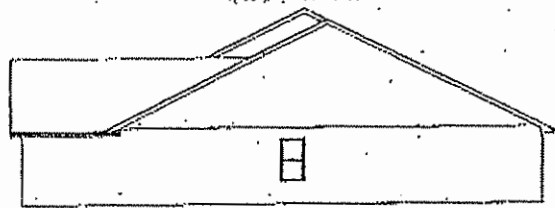
FRONT ELEVATION



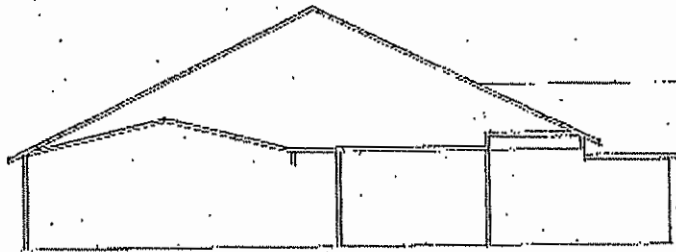
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LEFT ELEVATION



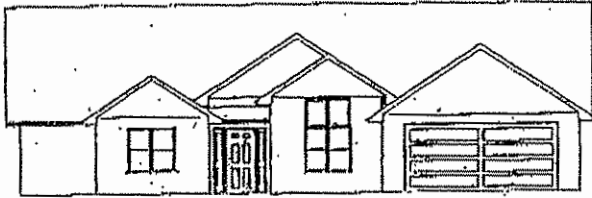
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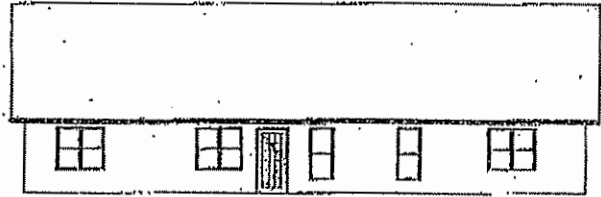
SECTION

LEGENDS AT GROVE CITY ELEVATION AND SECTION

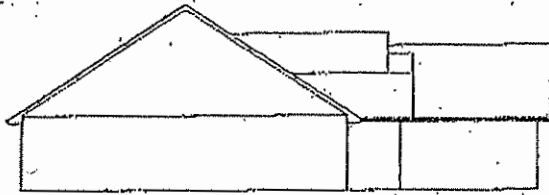
ALLEN MODEL



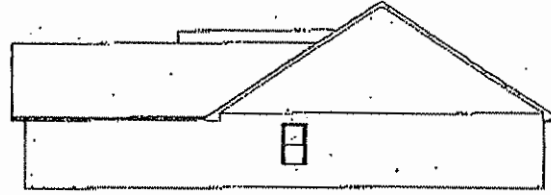
FRONT ELEVATION



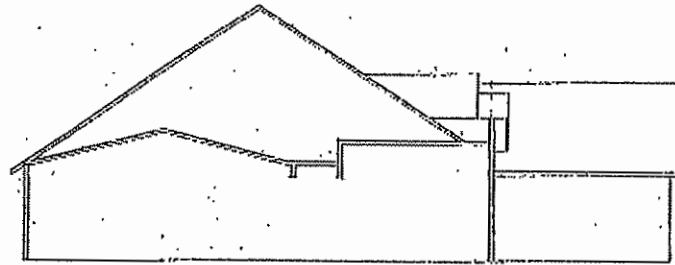
REAR ELEVATION



LEFT ELEVATION



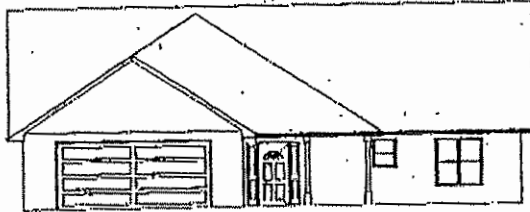
RIGHT ELEVATION



SECTION

LEGENDS AT GROVE CITY ELEVATION AND SECTION

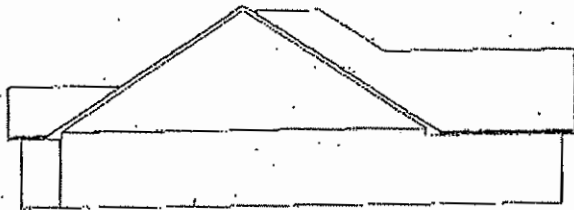
BROOKHAVEN MODEL



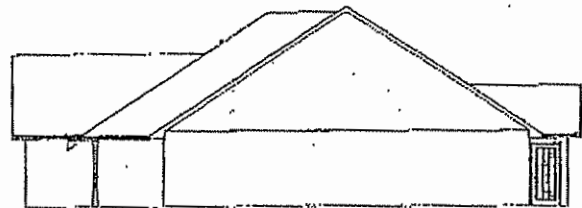
FRONT ELEVATION



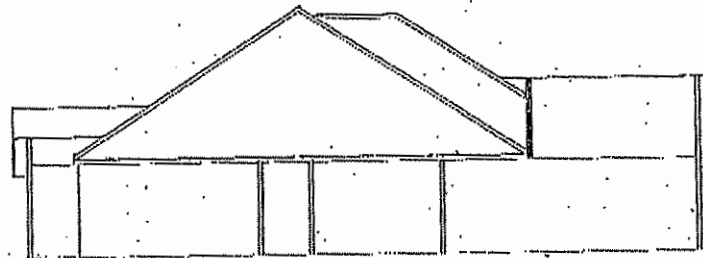
REAR ELEVATION



LEFT ELEVATION



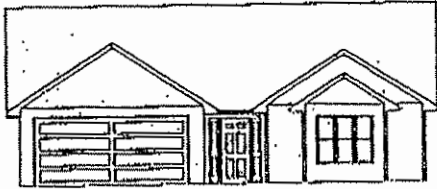
RIGHT ELEVATION



SECTION

LEGENDS AT GROVE CITY ELEVATION AND SECTION

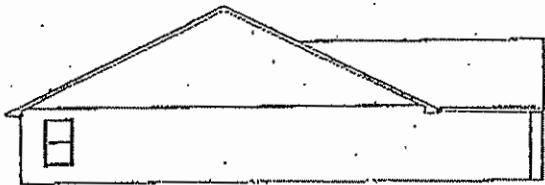
CAMBRIDGE MODEL



FRONT ELEVATION



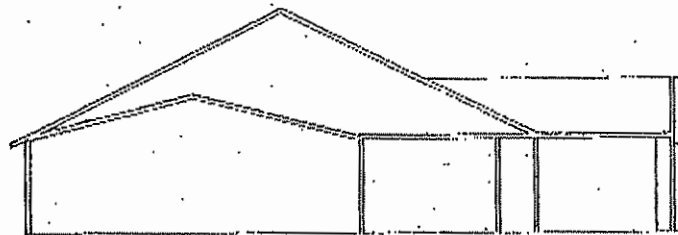
REAR ELEVATION



LEFT ELEVATION



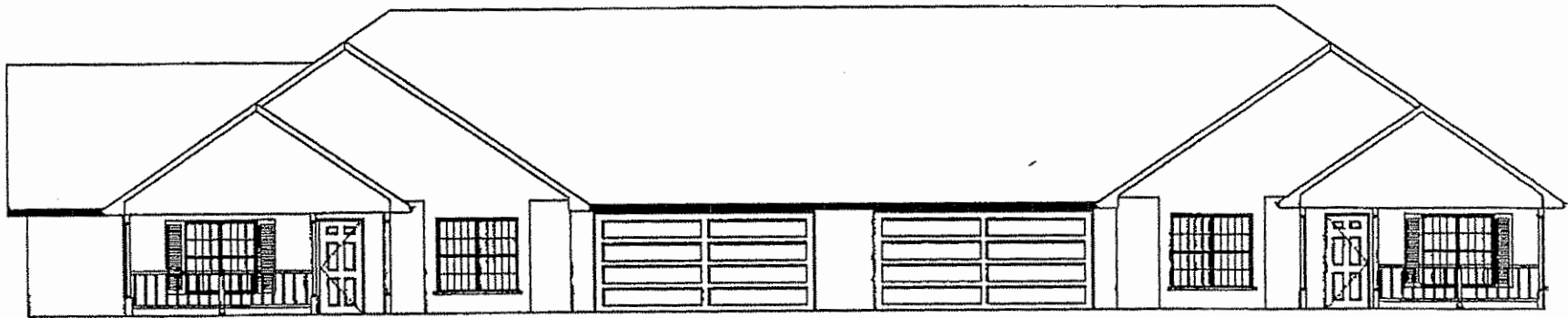
RIGHT ELEVATION



SECTION

LEGENDS AT GROVE CITY
ELEVATION AND SECTION

ERIN MODEL



FRONT ELEVATION

Vinyl Siding Typ.
Roof 8:12 w/12" Overhang Typ.

The Legends at Grove City
Fourplex A Elevations

5/25/04

EXHIBIT 6

LEGENDS AT GROVE CITY CONDOMINIUM

AGREEMENT OF SALE

1. NAMES AND ADDRESSES OF PARTIES.

- A. SELLER: Legends at Grove City, L.L.C.
- B. PURCHASER: _____
- C. HOME ADDRESS: _____
- D. BUSINESS ADDRESS: _____
- E. TELEPHONE: Home _____ Business _____

2. UNIT BEING PURCHASE.

Seller, Legends at Grove City, L.L.C. agrees to sell and Purchaser agrees to purchase Unit # _____ (the "Unit"), in the Legends at Grove City Condominium (the "Condominium"), located partially in Liberty Township and partially in Pine Township, Mercer County, Pennsylvania, together with a percentage interest in the Common Elements as set forth in the Declaration of Condominium (the "Declaration"), and Limited Common Elements as shown on the Plats and Plans. The definition of Unit is intended to include Seller's interest in the Common Elements. The public Offering Statement, including, but not limited to, the Declaration has been provided to Purchaser, the receipt of which is hereby limited to, the Declaration has been provided to Purchaser, the receipt of which is hereby acknowledged by Purchaser and the Declaration is recorded in the office of the Recorder of Deeds of Mercer County, Pennsylvania at Deed Book Volume _____, Page _____. The Public Offering Statement is incorporated herein by reference.

3. PRICE AND TERMS.

- A. BASE PURCHASE PRICE OF UNIT \$ _____
- B. OPTIONS (as listed on Exhibit "A" hereto) \$ _____
- C. PURCHASE PRICE TOTAL \$ _____
- D. EARNEST MONEY (includes reservation deposit previously paid, if any) \$ _____
- E. BALANCE DUE AT SETTLEMENT* \$ _____
- F. SETTLEMENT DATE _____
(Subject to Paragraph 9) _____, 20 ____.

* The Balance Due at Settlement is exclusive of Change Orders.

Seller _____

Purchaser _____

- (a) The Purchase Price is set forth above. Upon execution of this Agreement, Purchaser has paid by cash or check, the receipt of which hereby acknowledged by Seller, the amount set forth as the Earnest Money. Purchaser agrees to pay the Balance Due at Settlement on the Settlement Date in good and available funds in cash or by bank check. Purchaser shall not receive any interest on the Earnest Money.
- (b) All Earnest Money paid to Seller shall be held in escrow until consummation or termination of this Agreement pursuant to the provisions of Section 3408 of the Act.
- (c) The Purchase Price does not include the costs of any customizing work in the Unit unless otherwise agreed to in writing signed by the parties to be bound thereby, nor does the Purchase Price include any Change Orders.
- (d) If a Mortgage Rider is executed by the parties, the terms and conditions set forth in said Rider are incorporated herein by reference.

4. PUBLIC OFFERING STATEMENT.

- (a) Purchaser hereby acknowledges having received and reviewed a copy of Seller's current Public Offering Statement including all attachments and exhibits. The actual configuration of the Unit may differ from that shown in the Plats and plans attached to the Public Offering Statement but, in such event, at Settlement, Purchaser shall receive a revised set of Plats and Plans showing the actual configuration of Purchaser's Unit. Seller shall also have the right, acting alone, to:
 - (i) change the location, size and layout of all Units in the Condominium other than the Unit sold under this Agreement (for purposes of this subparagraph, the definition of Unit is not intended to include the Purchaser's interest in the Common Elements);
 - (ii) change the location of Common Elements (including Limited Common Elements) to provide for access to other Units or Limited Common Elements whose location, size or layout have been altered, provided that such changes do not impair access to Purchaser's Unit;
 - (iii) change the Percentage Interests of other Units in the Condominium provided that such changes do not affect the Percentage Interest of Purchaser's Unit; and
 - (iv) take or refrain from taking such measures with respect to the Condominium and the Real Property as is permitted under the Declaration or the Act.
- (b) Purchaser agrees that it will be taking the Unit subject to and agrees to be bound by

Seller _____

Purchaser _____

and comply with the terms and conditions of the Declaration and the By-Laws of the Condominium, including the Rules and Regulations of the Condominium, from and after the completion of the Settlement hereunder, which agreement shall survive such Settlement. Purchaser and Seller agree that all of the rights, terms and conditions contained in the Public Offering Statement, including all attachments and exhibits thereto, and the Declaration, and any amendments to the constituent documents are incorporated in this Agreement.

5. DECLARANT.

The Seller herein is the original Declarant of this Condominium.

6. AGREEMENT TO PURCHASE AND SELL THE UNIT.

- (a) Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the Unit and the appurtenant undivided proportionate ownership interest in the Common Elements ("Percentage Interest"), as set forth in the Declaration.
- (b) Except as hereinafter provided, upon receipt of payment in full for the Unit, Seller will convey title to the Unit to the Purchaser and at Settlement, possession of the Unit will be delivered to Purchaser substantially completed in accordance with the plans and specifications, except for fixtures and improvements to be made by Purchaser, if any. Any decorating and installation of fixtures, equipment, and hardware not provided for in this Agreement shall be Purchaser's obligation and shall not delay the Settlement.

7. DEFINITIONS.

Defined terms used herein shall have the meanings ascribed to them herein. All other capitalized terms not defined herein shall have the same meanings as they are given in either or both the Declaration and the Act. A defined term shall be deemed to include all derivations thereof, unless a contrary intent is expressed.

8. POSSESSION AND TITLE.

- (a) Possession of the Unit to Purchaser shall be delivered at Settlement upon conveyance of title by delivery of a special warranty deed conveying the title to the Unit as described in subparagraph (b) below (the "Deed") and by delivery of the keys to the Unit. Purchaser's membership in the Association shall commence automatically upon the completion of the Settlement hereunder without the necessity for any documentation thereof. Possession shall be delivered to Purchaser in a broom clean condition and free of debris.

Seller _____

Purchaser _____

- (b) Title to the Unit shall be good and marketable subject to the following: (i) the Declaration, Plats and Plans, By-Laws and Rules and Regulations of the Condominium, as each of them may be amended as provided in such document or pursuant to the Act or as otherwise provided herein; (ii) matters of record or as are visible upon a reasonable inspection of the Property; (iii) vehicular or pedestrian easements of record affecting the Property and water, sewer, gas, electric, cable television, and telephone lines, wires, cable, and pipe; and (iv) applicable laws, including but not limited to, zoning and building laws and ordinances.
- (c) If the Unit to be purchased is to be conveyed to more than one individual, and such individuals are not husband and wife, the Unit shall be deeded to such individuals as tenants in common, unless otherwise specifically stated in the description of the Purchaser in paragraph 1 above.
- (d) Subject only to the warranty contained in the Deed to the Unit and the warranties described in paragraph 13 hereof and in the Declaration, and to the completion of any insubstantial work remaining to be performed in or on the Unit (inasmuch as Purchaser will be asked to participate in a walk-through of the Unit prior to Settlement and a "Pre-Settlement and Acceptance" form shall be prepared as a result of such walk-through), the acceptance by Purchaser of the Deed to the Unit shall constitute a complete release and discharge of all warranties, obligations and liabilities of Seller to Purchaser, expressed or implied with respect to: (i) the construction fo the Unit, the Common Elements and the Limited Common Elements; (ii) any injury, loss or damage to the Purchaser, to the Unit, or to the Common Elements resulting from any cause whatsoever; and (iii) all of the covenants and obligations of Seller contained herein. Acceptance of the Deed by Purchaser shall be deemed to be an assignment by Seller to Purchaser of any warranties and guarantees made by any vendor or materialman with respect to certain components of the Unit (i.e., appliances and equipment), to the extent that the same are assignable.

9. SETTLEMENT AND TITLE INSURANCE.

- (a) The Settlement Date shall be on such date, at such time, and at such place in Mercer County, Pennsylvania as the Seller selects, on not less than fifteen (15) days prior written notice to Purchaser (provided that the Settlement Date shall be not less than 60 days following the Acceptance Date unless otherwise agreed by Purchaser). The Settlement Date shall occur no later than the Settlement Date set forth in paragraph 3F above.

Notwithstanding the foregoing, the Settlement Date may be extended in the event that Seller is unable to complete Settlement due to inclement weather, contractor, delays, labor disputes, fire, unusual delay in transportation, governmental acts or

Seller _____

Purchaser _____

requirements, unavailability of manpower or materials or acts or circumstances beyond its control. The delivery of the Deed and other documents and payment of the Balance Due at Settlement shall occur on the Settlement Date.

- (b) At Settlement, Seller shall be responsible for only the following costs: (i) costs incurred in connection with clearing Seller's title so that title is conveyed in the manner required under this Agreement; (ii) one-half of the realty transfer tax stamps imposed with respect to the real property; and (iii) the Seller shall be responsible for the cost of preparing the Deed. All other costs shall be borne by the Purchaser, except as set forth in paragraph 9(d) as being apportioned between Seller and Purchaser.
- (c) At Settlement, Purchaser shall pay the following costs: (i) Deed and mortgage recording fees and charges; (ii) one-half of the realty transfer tax stamps; (iii) any title insurance obtained by Purchaser including, but not limited to, the cost of any mortgagee's title insurance policy and/or mechanic's lien insurance; (iv) all costs imposed by Purchaser's mortgage lender (if any); (v) any settlement or closing officer fee and any other closing expenses; (vi) \$ _____ which payment shall be in addition to Purchaser's regular monthly assessment for Common Expenses or any special assessment adopted by the Executive Board of the Association on or after the date of this Agreement; and (vii) any other costs or expenses related to the Settlement not expressly apportioned in this Agreement. The payment described in (vi) above shall be paid directly to the Association, shall be nonrefundable and shall provide a reserve for the Association to be used by the Association when needed and for such purposes as the Executive Board may determine.
- (d) Seller and Purchaser shall apportion the following items as of the Settlement Date:
 - (i) Current real estate taxes and assessments. In the event that at the time of Settlement the Unit has not been billed separately from the balance of the Real Property, the amount thereof to be prorated on the basis of the tax authorities' fiscal year and shall be determined by multiplying the amount of such taxes by the Unit's Percentage Interest of Phase I. Real estate taxes shall be prorated on the basis of the last ascertainable bill and reprorated when the actual bill is presented (even if such reprobation shall occur after the Settlement Date).
 - (ii) Current utility charges.
 - (iii) The amount of Common Expenses assessed against the Unit for the month during which the Settlement takes place.
- (e) In the event Purchaser is delinquent in completing Settlement, and Seller does not

Seller _____

Purchaser _____

elect the remedy set forth in paragraph 10(c) hereof, but elects instead to extend the Settlement Date to a date certain, all adjustments shall be as of the Settlement Date originally scheduled by the Seller and not the date the sale actually closes. In the event Purchaser fails to close the sale on the extended Settlement Date, Seller shall have the remedies set forth herein, including, but not limited to, the right to recover a judgment against the Purchaser for amounts covering, among other things, the Purchase Price, as well as applicable taxes, insurance costs, utility costs, and the costs associated with enforcing Seller's rights hereunder and the cost of collection, including reasonable attorney's fees.

- (f) If Settlement is not held by the date set in paragraph 3 above, either party will have the right to declare TIME TO BE OF THE ESSENCE by giving written notice thereof to the other party. The notice will state that time is of the essence and will state the date, time and place of Settlement. The date shall be not less than 15 days nor more than 30 days following the effective date of giving such notice. Interest will be charged at 1-1/2% over the prime rate of interest published by the Wall Street Journal for each day past the agreed Settlement Date to the date of actual Settlement. In addition, Seller shall have the right to add to the Purchase Price the additional interest which accrues as a result of the delay in completing the Settlement. In the event Purchaser fails to close the sale on the extended date, Seller shall have the remedies set forth herein.

10. DEFAULT.

- (a) Seller's tender of the Deed or Purchaser's tender of the Purchase Price shall not be necessary where the other party has defaulted.
- (b) Each of the following shall be a default by Purchaser hereunder: (i) recording by Purchaser of this Agreement or any memorandum thereof; (ii) Purchaser's failure to appear at the time and place stated in the notice of the Settlement Date; (iii) Purchaser's failure to complete the Settlement hereunder in accordance with the terms of this Agreement; and (iv) Purchaser's refusal or failure to carry out any other obligations of the Purchaser under the terms of this Agreement, any amendment to this Agreement, and any supplemental agreement.
- (c) Should Purchaser default under any of the terms, covenants, or conditions of this Agreement, and said default shall continue for five (5) calendar days after written notice from Seller to Purchaser of such default, Seller may, at its option:
- (i) Retain the Earnest Money and/or any and all other monies paid by Purchaser hereunder as liquidated damages and not as a penalty, such being agreed between Purchaser and Seller to be a necessary condition to this Agreement in order to partially compensate Seller for expenses and expenditures incurred

Seller _____

Purchaser _____

and made in connection therewith and the damages sustained as a result of withdrawing the Unit from the market, and otherwise for Purchaser's non-compliance with this Agreement, and if so retained as liquidated damages, this Agreement shall thereupon become null and void, and of no further force and effect, and neither party shall have any further rights or obligations thereunder; or

- (ii) Apply said Earnest Money and/or other monies paid by Purchaser hereunder on account of the Purchase Price for the Unit to Seller' damages, including amounts recoverable pursuant to paragraphs 9(d) and 9(e) above, and pursue such other remedies which maybe available to Seller at law or in equity.
- (d) In the event: (i) Seller shall fail or be unable to deliver title to the Unit as herein provided on account of title defects which Purchaser is unwilling to waive; (ii) Seller notifies Purchaser that it is unable to complete Settlement hereunder notwithstanding its good faith efforts to do so; or (iii) Seller is otherwise in default hereunder, then under those circumstances, this Agreement shall automatically terminate and be rendered null and void, and the Earnest Money (without the accrual of any interest thereon) shall be returned forthwith to Purchaser as Purchaser's sole remedy and Seller shall have no further duty or any continuing or additional obligation to Purchaser.
- (e) The incorporation of the provisions of the Public Offering Statement into this Agreement shall not entitle Purchaser to any remedy granted by the Act by reason of any information contained in or omitted from the Public Offering Statement. Unless the Act otherwise provides, the failure of Seller to comply with all of the requirements of the act with respect to the Public Offering Statement shall not be deemed a default under this Agreement nor shall such failure in any way affect Purchaser's obligation to complete Settlement hereunder. This provision shall survive tender of the Deed, payment of the Purchase Price, and the completion of the Settlement.

11. ASSIGNMENT.

Purchaser shall neither transfer nor assign this Agreement or any interest herein without the prior written consent of Seller. Seller may assign its rights hereunder and, if such assignment shall be for the purpose of securing a lender, Purchaser's rights hereunder shall, at the option of such lender, be subject and subordinate to the rights of such lender.

12. BROKERS.

- (a) Whenever the term "Broker" is used in this Agreement it will mean the real estate brokers or real estate brokerage firms whose names appear as follows and their

Seller _____

Purchaser _____

licenses agents: Northwood Realty Services. Seller and Purchaser understand that the Broker is acting as agent only in bringing Buyer and Seller together and will in no case be held liable to either Seller or Purchaser for the performance of any term or covenant of this Agreement or for damage or non-performance of this Agreement.

- (b) Broker is required by law to provide the following notices and disclosures:
- (A) THE RATE OR AMOUNT OF COMMISSION FOR THIS SALE IS SUBJECT TO A PREVIOUSLY NEGOTIATED LISTING CONTRACT.
 - (B) The Broker is the agent of Seller.
 - (C) A Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the fund, call (717) 783-3658.
 - (D) The failure of this Agreement to contain the zoning classification of the property (except for property zoned solely or primarily to permit single family dwellings) will render this Agreement voidable at the option of Purchaser, and, if voided any deposits tendered by Purchaser will be returned to Purchaser without any requirement for any court action. Purchaser should refer to paragraph 14 of this Agreement regarding the zoning certification.
 - (E) Access to a public road may require issuance of a highway occupancy permit from the Pennsylvania Department of Transportation.
- (c) Pennsylvania Law requires the Broker to advise consumers of the business relationships permitted by the Real Estate Licensing and Registration Act. This notice must be provided to the consumer at the first contact where a substantive discussion about real estate occurs. This provision confirms that the Broker provided the Purchaser with notice.

Before Purchaser discloses any information to the Broker, Purchaser has been advised that the Broker is NOT REPRESENTING PURCHASER.

- (d) The Broker represents the Seller and works only for the Seller. Broker's agents owe the additional duties of:
- *Loyalty* to the Seller by acting in the Seller's best interest.
 - *Confidentiality*, except that Broker has a duty to reveal known material defects about the property subject to this Agreement.
 - Making a *continuous and good faith effort* to find a buyer for the Unit, except

Seller _____

Purchaser _____

while the Unit is subject to an existing agreement.

- Disclosure to other parties in the transaction that Broker has been engaged as Seller's agent.

The Broker, as Seller's agent, may compensate other brokers as *subagents* if the Seller agrees in writing. Subagents have the same duties and obligations as the Seller's agent.

- (e) Purchaser warrants that no broker, sales person or any other party, other than those employed or retained by Seller, was instrumental in submitting, showing or selling the Unit to Purchaser. Purchaser agrees to indemnify and hold harmless the Seller from and against the claim of any and all brokers and other intermediaries claiming to be acting on behalf of Purchaser in connection with the sale of the Unit.
- (f) Purchaser hereby acknowledges receipt of the disclosures relative to Broker.

13. WARRANTIES.

- (a) The provisions set forth under this paragraph 13 are a supplement and are in addition to the warranty provisions set forth in the Declaration. Further, this paragraph 13 shall survive the tender of the Deed, the payment of the Purchase Price, and the completion of the Settlement.
- (b) **THE SELLER/DECLARANT MAKES NO IMPLIED OR EXPRESS WARRANTIES AS TO THE DEVELOPMENT OF THE PROPERTY OR THE CONSTRUCTION OF THE COMMON ELEMENTS OR UNITS EXCEPT FOR THE TWO-YEAR WARRANTY PERIOD AGAINST STRUCTURAL DEFECTS AS PROVIDED BY STATUTE PURSUANT TO 68 Pa. C.S.A. §3411(b). EACH PURCHASER IS HEREBY INFORMED THAT DECLARANT/SELLER, BROKER DISCLAIM ALL IMPLIED OR EXPRESS WARRANTIES AS TO THE SAME, EXCEPT FOR THE TWO-YEAR WARRANTY PERIOD AGAINST STRUCTURAL DEFECTS AS PROVIDED BY STATUTE PURSUANT TO 68 Pa. C.S.A. §3411(b). IN LIEU OF ALL OTHER WARRANTIES, FOR A PERIOD OF ONE (1) YEAR COMMENCING ON THE DATE THAT THE UNIT IS CERTIFIED FOR OCCUPANCY OR THE UNIT IS SOLD BY THE SELLER/DECLARANT, WHICHEVER IS LATER, SELLER/DECLARANT WARRANTS ITS WORKMANSHIP IN CONSTRUCTING SUCH UNIT OR THE EQUIPMENT IT PROVIDED IN CONNECTION THEREWITH, SUBJECT TO ANY WARRANTIES OF MANUFACTURERS OR SUPPLIERS OR INSTALLERS, BUT THIS SOLE WARRANTY IS ONLY FOR THE PURPOSE OF MAKING REPAIRS TO SUCH UNIT DURING THAT ONE (1) YEAR PERIOD. THE REPAIR OR REMEDY SELECTED BY SELLER/DECLARANT, AS**

Seller _____

Purchaser _____

PROVIDED IN CONNECTION WITH THE WARRANTY UNDER 68 Pa. C.S.A. §3411(b) OR OTHERWISE UNDER THIS PARAGRAPH 13(b), SHALL BE IN THE SOLE DISCRETION OF SELLER/DECLARANT.

- (i) EXCEPT AS OTHERWISE SET FORTH IN SUB-PARAGRAPH (b) HEREOF, PURCHASER ACKNOWLEDGES THAT THE UNIT AND PURCHASER'S INTEREST IN THE COMMON ELEMENTS ARE BEING PURCHASED: (x) **IN THEIR "AS IS" CONDITION; AND (y) WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND**, EXPRESS OR IMPLIED, BY SELLER OR ANY AGENT OR BROKER, WHICH IS NOT EXPRESSLY STATED HEREIN OR IN THE PUBLIC OFFERING STATEMENT. THE DISCLAIMED WARRANTIES REFERRED TO IN SUBPARAGRAPH (y) ABOVE INCLUDE WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR HABITABILITY.

- (ii) PURCHASER HEREBY WAIVES ALL RIGHTS, CLAIMS AND ACTIONS AGAINST SELLER, BROKER OR SELLER'S AGENTS, FOR BREACH OF ANY WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE CONDITION OF THE UNIT, THE REAL PROPERTY OR THE PERSONAL PROPERTY, EXCEPT PURSUANT TO THE WARRANTIES ET FORTH IN SUB-PARAGRAPH (b) HEREOF OR IN THE DECLARATION.

- (c) (i) "Structural defects" means those defects in components constituting a Unit or Common Element which (1) reduce the stability or safety of the structure below accepted standards OR (2) restrict the normal intended use of all or part of the structure AND (3) which require repair, renovation, restoration or replacement. By way of example, the structural elements of a Unit would typically consist of the foundation, load-bearing walls, and roof trusses. Seller's two-year warranty against structural defects in components of the Unit or Common Elements shall not be construed to make Seller responsible for any items of maintenance relating to the Unit or Common Elements.

- (ii) Seller's two-year warranty for structural defects shall commence, apply and expire as set forth in 68 Pa. C.S.A. §3411(b). Reference for the precise language should be made to the statute. For convenience only, the time periods in the statute may be paraphrased as follows:

Seller _____

Purchaser _____

(A) As to any structural defects the structural integrity of the Unit:

The warranties applicable to the structural defects begin on the date the Unit is conveyed to the Purchaser and continue for a period of two (2) years thereafter.

(B) As to any structural defects affecting the structural integrity fo the Common Elements which the Seller has installed or will install with its employees or contractors:

The warranties applicable to the structural defects begin on the later of (a) the date of completion of the Seller's work with respect to the particular Common Element or (b) the date the first Unit is conveyed to a bona fide purchaser, and continue for a period of two (2) years thereafter.

(iii) Seller's warranties for structural defects as set forth herein or the Declaration shall be limited to the Seller making repairs.

(d) As set forth above, in addition to the statutorily mandated warranty for structural defects, the only other warranty given by the Seller is the one (1) year warranty for making repairs due to defective workmanship. Minor imperfections, cosmetic blemishes and natural wear and tear shall not be considered defective workmanship. For example, dimples and depressions in asphalt and masonry cracks may occur and shall not constitute defective workmanship.

(e) Neither the warranty with respect to structural defects nor the warranty for repair of defective workmanship set forth above shall apply fi the defective part of the Unit or the common Elements has been subject to misuse or negligence or damage by casualty occurrence (e.g., fire, wind, severe storm, etc.), accident or has not been afforded reasonable maintenance or care.

(f) The term of the Seller's warranties hereunder relative to structural defects with a warranty period of two (2) years or relative to repairs for defective workmanship with a warranty period of one (1) year, shall not be extended for a longer period of time by reason of any repairs performed pursuant to Seller's warranties hereunder.

(g) No claim arising out of any of the foregoing express warranties may be brought unless, prior to the expiration of the warranty period set forth herein Purchaser shall have properly delivered notice to Seller of all alleged breaches of these warranties that would give rise to such a claim.

Seller _____

Purchaser _____

14. CERTIFICATION STATEMENT.

Seller hereby represents and warrants that the Property is zoned or is otherwise approved to accommodate the Condominium and the present use of the Building is in compliance with applicable zoning ordinances and, as of the Acceptance Date, there are no outstanding notices of any uncorrected violations of housing, building, plumbing, electrical, safety or fire ordinances applicable to the Building.

15. OFFER TO PURCHASE.

If Purchaser shall execute and deliver this Agreement together with the Earnest Money required hereunder without Seller's execution hereof, then this Agreement shall be considered a firm offer by Purchaser which shall remain open in consideration of Seller reserving the Unit for Purchaser for a period of fourteen (14) days from the date of Purchaser's execution hereof, and may be accepted and executed by Seller at any time during said period. Upon execution by Seller, an executed copy of this Agreement shall be sent to Purchaser, otherwise the offer shall be considered rejected and all funds paid by Purchaser to Seller shall be promptly refunded to Purchaser.

16. CAPTIONS, ETC.

Captions are for the convenience of the parties and shall not be used in interpreting or construing the meaning of any part of this Agreement. The singular number denotes the plural numbers and the masculine gender denotes the feminine or neuter genders wherever appropriate.

17. RISK OF LOSS.

- (a) As between Seller and Purchaser, risk of loss or damage to the Unit between the date of this Agreement and the time of delivery of the Deed to the Unit, or delivery of possession of the Unit, whichever is earlier, is assumed by Seller. If there shall be a material change in the physical condition of the Unit, between the date hereof and the time of Purchaser's possession, which is not the fault of the Purchaser, Purchaser shall have the option to: (a) void this Agreement, whereupon all monies paid on account hereof shall forthwith be returned to Purchaser and upon such return all parties shall be relieved of liability hereunder, or (b) elect to proceed with this Agreement and pay the full consideration, in which event Seller shall assign to Purchaser any insurance proceeds which relate directly to the Unit (exclusive of the Common Elements) to which Seller may be entitled as a result of the change in condition. To exercise this option, Purchaser shall give written notice to Seller prior to the delivery of the Deed or of possession, whichever occurs first. If Purchaser fails to give such written notice, Purchaser shall be conclusively deemed to have selected option (b).

Seller _____

Purchaser _____

- (b) Purchaser may have an insurable interest in the Unit (exclusive of any interest in the Common Elements) upon the signing of this Agreement and to protect Purchaser's own interest, Purchaser has the right, but no obligation, to place in-force fire and casualty insurance with extended coverage on the Unit as aforesaid, as of the Acceptance Date.

18. EMINENT DOMAIN.

If a material portion of the real estate of the Condominium is taken by eminent domain prior to Settlement, Purchaser shall have the option to: (a) void this Agreement, whereupon all monies paid on account hereof shall forthwith be paid to Purchaser and upon such payment all parties shall be relieved of liability hereunder, or (b) elect to proceed with this Agreement and pay the full consideration, in which event Seller shall assign to Purchaser all damages to which Seller may be entitled which relate directly to the Unit (exclusive of the Common Elements) and which may be assigned by Seller pursuant to the Pennsylvania Eminent Domain Code. Within five (5) days after notification of any such taking, but in no event later than the Settlement, Seller shall notify Purchaser thereof.

19. ENTIRE AGREEMENT.

- (a) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever that are not herein referred to or expressly incorporated by reference. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part against whom enforcement of the change, modification, discharge or abandonment is ought. All amendments, supplements or riders hereto, if any, shall be in writing and executed by both parties. ANY AND ALL CHANGES, DELETIONS, OMISSIONS, ADDITIONS AND/OR DEVIATIONS FROM THE PRINTED FORM OF THIS AGREEMENT, OR ANY ATTACHMENTS HERETO, OTHER THAN THE APPROPRIATE COMPLETION OF THE "BLANKS" WHICH APPEAR HEREIN, ARE AGREED TO BE IN EXCESS OF THE AUTHORITY OF BROKER OR SELLER'S SALES REPRESENTATIVES, SHALL BE OF NO FORCE, EFFECT OR VALIDITY, AND SHALL NOT BE BINDING UPON SELLER, UNLESS INITIALED AS "APPROVED" BY SELLER.
- (b) THERE ARE NO COLLATERAL UNDERSTANDINGS, REPRESENTATIONS OR AGREEMENTS OTHER THAN THOSE EXPRESSLY CONTAINED HEREIN OR IN THE PUBLIC OFFERING STATEMENT OR THE DECLARATION. NO BROKER, SALESPERSON, EMPLOYEE OR AGENT OF THE SELLER HAS THE AUTHORITY TO MODIFY THE TERMS HEREOF, OR HAS ANY AUTHORITY WHATSOEVER TO MAKE ANY REFERENCE,

Seller _____

Purchaser _____

REPRESENTATION OR AGREEMENT NOT CONTAINED IN THIS AGREEMENT OR THE PUBLIC OFFERING STATEMENT OR THE DECLARATION AND ONLY THOSE CONTAINED HEREIN AND IN THE PUBLIC OFFERING STATEMENT AND IN THE DECLARATION SHALL BE BINDING UPON SELLER, OR SHALL GRANT ANY RIGHTS TO PURCHASER. PURCHASER ACKNOWLEDGES THAT, OTHER THAN EXPRESSLY STATED HEREIN AND IN THE PUBLIC OFFERING STATEMENT AND IN THE DECLARATION, NO REPRESENTATIONS HAVE BEEN MADE BY SELLER, BROKER, ITS AGENTS OR EMPLOYEES, IN ORDER TO INDUCE PURCHASER TO ENTER INTO THIS AGREEMENT OF SALE.

- (c) When referred to in this Agreement, the Public Offering Statement and the Declaration shall mean those documents which are in-effect at the time of this Agreement and shall include all exhibits, appendices, schedules, and attachments thereof, all of which are incorporated herein by reference.

20. GOVERNING LAW.

This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without respect to its choice of law rules.

21. NOTICES.

All notices, demands, requests and approvals that may be or are required to be given by either party hereto to the other shall be in writing and shall be deemed to have been sufficiently given if deposited in the United States Mail, registered or certified, return receipt requested, with all postal charges prepaid, and addressed to the address stated in paragraph 1A above with respect to Seller or paragraph 1C above with respect to Purchaser or to such other address as such party may have fixed by written notice. Notices mailed as aforesaid shall be deemed to have been received three (3) business days after the date of mailing thereof.

22. SEWAGE FACILITY.

The Pennsylvania Sewage Facilities Act, Act of January 24, 1966, No. 537 P.L. 1535, as amended, requires that there be a statement regarding the availability of a community sewage system. The Property is serviced by a community sewage system.

23. MISCELLANEOUS.

The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision set forth herein.

Seller _____

Purchaser _____

24. COAL NOTICE.

NOTICE - THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND, THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATE OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984, as amended, and is not intended as notice of unrecorded instruments, if any).

Unless the foregoing notice is stricken, the deed shall contain the notice as above set forth and shall also contain, and Purchaser shall sign, the notice specified in the Bituminous Mine Subsidence and Land Conservation Act of 1966.

25. BINDING EFFECT.

This Agreement and all of its terms and conditions shall extend to and be binding upon the parties hereto and upon their respective heirs, executors, administrators, successors and assigns. It is the intent of the parties to be legally bound by this Agreement.

26. CONSTRUCTION TERMS.

- (a) Seller shall furnish all materials and perform all work for the construction of the Unit in accordance with the plans and specifications on file at the office of the Seller. Purchaser hereby acknowledges that Purchaser has had the opportunity to review such plans and specifications pertaining to the Unit and that Purchaser has approved the same.
- (b) In addition to that set forth elsewhere in this Agreement, Seller shall not be liable for any delay in the prosecution or completion of the work caused by the act, neglect or default of Purchaser, or as a result of changes or alterations in the plans and specifications made by Purchaser, or damage by fire, inclement weather, earthquake or other casualty for which Seller is not responsible, or by strike, walkouts, contractor delays, unavailability of manpower or materials, or any other acts of employees or suppliers of labor or materials. In any such event, the time herein fixed for the completion of the work, which is the Settlement Date, shall be extended for a period equivalent to the time lost by reason of any of the causes aforesaid.

Seller _____

Purchaser _____

Further, non-performance of this Agreement by Seller is excused when such non-performance is caused by an order of any court or other public authority, by any governmental control, regulations, restrictions, or allocations of labor, supplies and materials instituted by state or governmental agency for any reason whatsoever.

- (c) There shall be no charges, alterations or additions made to the plans and specifications except those as set forth on the Option Sheet attached hereto, made part hereof and marked Exhibit "A". Such extras included in such Option Sheet that are desired by Purchaser shall be selected at the time of the execution of this Agreement for the amounts set forth on Exhibit "A", which amounts are incorporated into the Purchase Price set forth in paragraph 3 above.

A "Change Order" is a written order prepared by and directed to the Seller, signed by the Purchaser, and issued after execution of this Agreement, authorizing a change in the plans, specifications or Options. No Change Order work shall be commenced until a Change Order signed by the Purchaser is received by the Seller. The Purchaser shall be required to make payment to the Seller of the amount due pursuant to the Change Order within ten (10) days from the installation or completion of said Change Order work unless the time for payment is otherwise agreed between the parties.

- (d) In the event that Seller is unable to obtain the exact materials specified on the plans and specifications or in the Option List attached hereto as Exhibit "A", through the Seller's ordinary and usual sources of supply, Seller shall have the right to substitute materials of similar pattern, design and quality.
- (e) The following is the type and R-value of the insulation that will be installed:

	<u>Ceiling</u>	<u>Walls</u>	<u>Perimeter/Foundation</u>
Type:	Fiberglass	Fiberglass	Rigid
R-Value:	R-30	R-13	R-4

- (f) Purchaser shall be responsible for establishing accounts with the utilities installed by the Seller (e.g., gas, water, electric, and one telephone line) and for paying all costs associated with service, maintenance, and subsequent replacement of lines, wires, and appurtenances. At least three (3) days prior to the Settlement Date, Purchaser shall provide to Seller evidence that Purchaser has established accounts for all utilities to service the Unit and Purchaser shall be responsible for obtaining the services of such utilities for the unit as of the Settlement Date. In addition, Purchaser shall be responsible for obtaining any other utilities and paying all costs associated with the same (e.g., cable television service).

Seller _____

Purchaser _____

- (g) Payment of the Balance Due at Settlement shall constitute a waiver of all claims by the Purchaser against the Seller, except as otherwise provided in this Agreement. Issuance of occupancy permits by the appropriate governmental agency shall be deemed to be conclusive proof of Seller's compliance with all codes and ordinances then in-effect applicable to the Property.
- (h) The provisions of this paragraph 26 shall survive the completion of Settlement and delivery of the Deed.

27. PRE-SETTLEMENT INSPECTION.

Prior to Settlement, Purchaser shall be permitted, on reasonable notice to the Seller and at a reasonable time, to enter the Property and to inspect the Unit and its plumbing, heating and electrical systems and the items included in the sale.

28. ALTERNATE DISPUTE RESOLUTION.

Should a dispute arise between the Purchaser and the Seller out of or relating to this Agreement, that cannot be resolved amicably between the parties, then either party may seek resolution of the dispute by resort to arbitration under the auspices of the American Arbitration Association. Claims relating to the construction of and warranties regarding the Unit or the Common Elements shall proceed pursuant to the construction Industry Arbitration and Mediation rules. Other claims relating to this Agreement shall proceed pursuant to the Arbitration Rules for the Real Estate Industry. The arbitration shall occur in Allegheny County, Pennsylvania. The parties agree that they may not resort to court proceedings to resolve the dispute, but may only resort to court proceedings to enforce an award obtained through arbitration as set forth herein.

Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

This provision shall survive completion of the Settlement, delivery of the Deed and payment of the Purchase Price in the case of disputes arising out of the construction of the Unit.

29. SUBORDINATION.

This Agreement, and the rights of Purchaser hereunder, shall be subordinate to any mortgage for development and construction financing for the Condominium and Purchaser agrees to execute any documents required to verify this to Seller's construction lender.

Seller _____

Purchaser _____

30. NOTICE: BUYER'S RIGHT OF TERMINATION.

IN ACCORDANCE WITH THE PENNSYLVANIA UNIFORM CONDOMINIUM ACT, THIS CONTRACT MAY BE CANCELLED BY THE PURCHASER WITHIN FIFTEEN (15) DAYS OF RECEIPT OF THE PUBLIC OFFERING STATEMENT.

Executed by Purchaser this _____ day of _____, 20__.

Accepted by Seller this _____ day of _____, 20__ (the "Acceptance Date").

SELLER:

LEGENDS AT GROVE CITY, L.L.C.

WITNESS:

By: _____

WITNESS:

PURCHASER:

Seller _____

Purchaser _____

EXHIBIT 7

"THE LEGENDS" of Grove City

P.O. Box 331 • Grove City, Pennsylvania 15143

CONDOMINIUM UNIT RESERVATION AGREEMENT

Condominium Facility Name _____

Buyer's Name _____

Date _____

Buyer's Address _____

Unit No. _____

Unit Type _____

Buyer's Home Phone () _____

Purchase Price \$ _____

(hereinafter referred to as the "Buyer")

(hereinafter referred to as the "Condominium Unit")

Reservation Deposit \$ _____

MUTUAL UNDERSTANDINGS

1. The Buyer acknowledges that Northwood Realty, a Pennsylvania business Corporation, (*hereinafter referred to as the Seller's Agent*) contemplates creating the Condominium Facility, described above, pursuant to the Pennsylvania Uniform Condominium Act, as amended.

2. As confirmation of his/her interest in purchasing the Condominium Unit, Buyer agrees to make a Reservation Deposit with the Seller, and the Seller's Agent agrees to reserve the Condominium Unit for purchase by the Buyer and not to offer the reserved condominium Unit for sale to any other party for a period of _____ (_____) days from the date of the Agreement. This Reservation Agreement expires on _____ (*hereinafter referred to as the "Reservation Period"*).

3. The Seller's Agent shall deposit the Reservation Deposit in a federally insured escrow account and the Seller's Agent shall not have the right to use the Reservation Deposit for any other use whatsoever.

4. On or before the expiration of the Reservation Period, Buyer agrees to either:

(a) enter into a written contract with the Seller for the purchase of the Condominium Unit or another condominium unit, in which event Seller shall apply the Reservation Deposit as a credit against the purchase price of the Condominium Unit selected by Buyer; or

(b) notify the Seller's Agent that Buyer does not wish to purchase a unit, the Reserved Condominium Unit, in which event the Seller shall return the entire Reservation Deposit and all obligations and liabilities of the Buyer and Seller to each other shall thereupon terminate.

5. **THIS IS NOT A PURCHASE AGREEMENT OR CONTRACT OF SALE. Either the Buyer or the Seller, in their sole discretion, may at any time during the effective period of this Agreement, terminate this Agreement for any reason. If termination of this Agreement occurs, the Seller will return to Buyer the entire Reservation Deposit. Upon return of the Reservation Deposit or expiration of the Reservation Period, Buyer shall have no claim against the Seller resulting from this Reservation Agreement.**

6. Seller's Agent shall deliver to Buyer on or before the signing of the Agreement of Sale to purchase the Condominium Unit a Public Offering Statement in accordance with the Pennsylvania Uniform Condominium Act.

NORTHWOOD REALTY _____ (Buyer)

By _____ (Buyer)

Agent