

AGREEMENT OF SALE

Date _____

1. Parties and Addresses

(a) Seller S. Paone Homes Corporation

(b) Buyer _____

(c) Buyer' Address _____

(d) Buyer's Phone # Home _____ Work _____

2. Settlement

(a) Settlement ("Settlement") shall be made on or before _____,

However, actual settlement date will be given in writing at "Trim Stage" of construction, subject to paragraph 9 hereof and subject to force majeure ("Estimated Settlement Date"). Notice of the precise date of Settlement shall be given to Buyer not less than fourteen (14) prior to Settlement ("**Settlement Date**").

At Settlement the Unit shall be "**Substantially Complete**", as that term is herein below defined. Buyer hereby acknowledges that the Estimated Settlement Date is made as an accommodation to Buyer to assist Buyer in formulating future plans, but the Estimated Settlement Date shall not be considered of the essence of this Agreement of Sale (this "**Agreement**").

3. Property

Subdivision Gwynedd Meadows ("**Community**") Unit # _____ ("**Unit**")

Model _____

Address: _____ State _____ Zip _____

County _____

4. Price and Term

(a) Purchase Price \$ _____

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- (b) Amount paid at signing of this Agreement \$ _____
- (c) Additional check to be paid on _____ \$ _____
- (d) Additional check to be paid to on _____ \$ _____
- (e) Certified check at time of final Settlement \$ _____
- (f) Total Amount Due \$ _____

5. Settlement.

(a) At Settlement, Buyer shall pay all settlement charges, including title insurance premiums, recording and acknowledgment fees, fire insurance premiums, mortgagee service charges and escrow account items, credit report and appraisal fees, reserves for taxes and insurance, conveyancing and recording charges and notary fees.

Homeowner's Association assessments, water and sewer rent and any other apportionable assessments or utilities shall be apportioned pro rata as of the Settlement Date.

Real estate taxes shall be pro rated on the basis of the last ascertainable tax bill and. Notwithstanding the foregoing, Seller reserves the right to cause real estate taxes to be pro rated on an estimated assessment for the Unit as reasonably determined by Seller. The provisions of this paragraph shall survive Settlement and acceptance of the deed.

(b) Realty transfer taxes shall be borne equally by Buyer and Seller.

(c) Buyer shall at Settlement also pay to the Homeowner's Association a non-refundable working capital contribution in the amount of _____.

6. Title and Possession

(a) Title to the Unit shall be good and marketable or such as will be insured by a reputable title company at regular rates. The Unit shall be conveyed free and clear of all liens and encumbrances except restrictions, conditions and easements existing prior to Seller's ownership which do not materially adversely impact Buyer's use and enjoyment of the Unit or created by Seller at or prior to Settlement hereunder and reasonably necessary to the development of the Unit and the Community.

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(b) Possession is to be delivered by fee simple special warranty deed and a key to the Unit.

(c) Buyer authorizes Seller to order Title Insurance through Security Abstract

7. Mortgage

(a) Buyer acknowledges that this Agreement is not contingent upon Buyer obtaining financing for the purchase of the Unit.

(b) Buyer shall seek financing through Buyer's own sources. Buyer agrees and understands that failure to secure financing for the purchase of the Unit shall in no way release Buyer from Buyer's obligations under this Agreement. Buyer agrees to make application for financing within ten (10) days of Seller's acceptance of this Agreement. Failure to comply with any of the provisions of this paragraph shall be a default by Buyer. Buyer hereby authorizes any mortgage lender to whom Buyer makes application for a mortgage loan to disclose to Seller any and all information which Buyer provides to the lender or which Buyer authorizes the lender to obtain.

8. The Work

(a) Seller will construct the Unit and will perform all the work and supply all materials necessary ("**Work**") substantially in accordance with the plans and brochures and specifications attached to this Agreement ("**Specifications**").

9. Substantial Completion

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- (a) “**Substantially Complete**” shall mean that the Unit is sufficiently complete so that owner can occupy or utilize Unit as a single family residence, and Seller has obtained a Use and Occupancy Permit. Further, if grading, seeding, driveways, and walkways cannot be completed prior to Settlement due to inclement weather, Settlement shall nonetheless take place in accordance with the terms hereof, and Seller’s only obligation shall be to complete same at such time after Settlement as weather and Seller’s schedule permit.
- (b) Buyer agrees that Seller will not escrow funds, at time of Settlement, for any reason. If Lender requires escrows, such escrows will be Buyer’s responsibility.

10. Acknowledgment

Buyer acknowledges that Seller, or Seller’s agent has provided Buyer or Buyer’s agent with:

- (a) a copy of Seller’s Limited Warranty applicable to the Unit; and
- (b) a copy of the Public Offering Statement required by Pa. C.S.A. 5101, et seq.
- (c) Addendums A (Options & Extras), B (Specifications), C (Estimate of closing costs), D (Home Owner Documents), to be attached and made part of this Agreement. E (Site Plan Disclosure)
- (d) _____
- (e) _____

11. Time

- (a) If Seller is delayed at any time in commencing or performing the work by changes ordered in the work, acts of God, fire, unusual delay in transportation, adverse weather conditions, storm, abnormal conditions of the soil requiring other time-consuming treatments, strikes, lockouts, or other labor disputes affecting either Seller or any of Seller’s suppliers of materials or labor, delay in issuance of permits, acts of war, or emergency proclamation, or any other causes beyond Seller's control, then the time for commencement and/or completion of the Work will be extended for such reasonable time as the Seller may determine.

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12. Selections

(a) Options and color selections must be selected by Buyer within two (2) weeks of a fully executed Agreement of Sale. Should Buyer fail to make options and color selections as hereinbefore set forth, Seller is hereby irrevocably authorized to proceed with the installation of materials of a color and design selected by Seller within the prescribed allowance as set forth in the Specifications.

13. Changes

(a) Any changes or additions to the Work requested or ordered by Buyer must be set forth in writing setting forth the change, the cost thereof and the additional time for completing the Work caused thereby, signed by Buyer. The cost of any such changes or additions as requested and ordered by Buyer after the execution and delivery of this Agreement will be added to the contract sum and will be paid for by Buyer at the time designated by Seller. If despite the foregoing, Buyer requests a change or addition without specifying the price therefore, or the change or addition is not in writing signed by Buyer and Seller performs the change or addition in the Work, Seller will have the right to unilaterally set the price for the change or addition so long as the price is reasonable. Any extras that are requested by Buyer are to be paid on demand of Seller on or before the date of Settlement. Any changes made once the working blue prints are established and distributed to the construction superintendent and subcontractors will be subject to a change fee of \$100.00 in addition to the cost of the change requested.

14. Radon

(a) As a precaution, Seller shall prepare the house for radon mitigation with the rough-in installation of a radon mitigation stack. Seller has offered to Buyer, as an optional extra, to complete the system to ventilate any radon gas that may be present after the construction of the dwelling contemplated herein. Buyer has elected not to select this option and Buyer recognizes that any collection of radon gas after the completion of

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the Unit will be Buyer's sole responsibility and the provisions for ventilation therefore shall be at Buyer's sole cost without any liability on the part of Seller.

15. Disclaimer

(a) Buyer is purchasing the Unit upon the basis of its own investigation and without regard to any representations, statements, promises or the like made by Seller or any Agent of Seller, except as specifically set forth in this Agreement.

16. Options

(a) Options and extras are to be paid as required by the Seller and Subcontractors. Should Buyer not settle for any reason, the total amount of options/extras money is due and payable immediately.

17. Default by Buyer

(a) Except with respect to the Estimated Settlement Date, time is of the essence in this Agreement.

(b) Should Buyer:

- (i) fail to make any payments as specified, or
- (ii) furnish false or incomplete information to Seller, Seller's agent or the mortgage lender, concerning Buyer's legal or financial status, or fail to cooperate in the processing of the mortgage loan application, which acts would result in the failure to obtain the approval of a mortgage loan commitment, or
- (iii) violate or fail to fulfill and perform any other terms or conditions of this Agreement, then in such case, all deposit money and other sums paid by Buyer on account of the purchase price, whether required by this Agreement or not, may be retained by Seller:
 - (1) On account of the purchase, or
 - (2) As monies to be applied to Seller's damages, or

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(3) As liquidated damages for such breach.

As Seller may elect, and in the event that Seller elects to retain the monies as liquidated damages in accordance with this Paragraph 17 Seller shall be released from all liability or obligations and this Agreement shall become NULL AND VOID and all copies will be returned to Seller's agent for cancellation.

18. Risk of Loss

(a) Damage by fire or other casualty prior to Settlement shall not void this Agreement, provided that Seller shall rebuild the house as quickly as is reasonably practical, and the date of Settlement shall be automatically extended by the appropriate period required to allow Seller to rebuild the house aforesaid.

19. Seller's Warranty

SELLER EXPRESSLY WARRANTS THAT IT WILL CORRECT ANY MATERIAL DEFECTS IN THE HEATING, PLUMBING, AIR CONDITIONING, ELECTRICAL, ROOFING OR MAJOR STRUCTURAL SYSTEMS OF THE HOUSE THAT OWNER, BY DUE WRITTEN NOTICE, CALLS TO SELLER'S ATTENTION WITHIN TWELVE (12) MONTHS OF THE DATE OF SUBSTANTIAL COMPLETION, PROVIDED THAT SUCH DEFECTS DO NOT RESULT IN WHOLE OR IN MATERIAL PART FROM WORK. ALTERATIONS OR OTHER ACTS PERFORMED OTHER THAN BY SELLER, ACTS OF GOD OR ANY OTHER CAUSES NOT DIRECTLY ATTRIBUTABLE TO SELLER. ALL OTHER EXPRESS OR IMPLIED WARRANTIES ARE EXCLUDED, INCLUDING SPECIFICALLY ANY AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER SHALL HAVE THE SOLE RIGHT TO DETERMINE WHETHER A DEFECT SHALL BE CORRECTED BY REPAIR OR REPLACEMENT. IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL OR CONSEQUENTIAL

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DAMAGES OR PERSONAL INJURIES ARISING FROM ANY BREACH OF THE WARRANTY OR OF THIS AGREEMENT.

Specifically and without limitation, no warranty is given in respect to:

(a) Any appliances, component equipment and the like for which the manufacturer thereof issues a separate warranty except as to Seller's workmanship with respect to installation of the equipment (and Seller shall assign to Buyer all guarantees or warranties extended by the manufacturer of any equipment):

Stainless Steel Disclosure: Should Buyer select and/or purchase stainless steel appliances, Seller will not be in any way responsible for any inherited imperfections due to the nature of the material surface. Defects such as scratches and dents may occur in transporting the appliances; should the quality of the product not meet the standards and expectations of the Buyer, then Buyer should contact the Manufacturer for their warranty regarding repair or replacement of the appliances. Buyer agrees to hold the seller harmless for any and all claims related to repair or replacement of Stainless Steel Appliances.

(b) Any other matters relating to the construction of the Unit or the condition of the premises including without limitation of the following or the consequences thereof:

- (i) Nail pops, seam ridge and shrinkage in drywall, lumber, trim Millwork and wood floors.
- (ii) Settling of the areas around the house, driveways, or trenches where utility lines and/or pipes are located underground.
- (iii) Cracking dripping or discoloration of or imperfections in grout, drywall, stucco, concrete, foundation or basement walls.
- (iv) Shrinking or warping of doors less than one-half (1/2) inch.
- (v) Color variations in fixtures, appliances, stained wood, tile, brick mortar or stucco.

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- (vi) Quantity or quality of growth of grass. It is the responsibility of owner to water, fertilize, and reseed as necessary. Any soil washouts from rain or melting snow from date of substantial completion are the responsibility of owner.
- (vii) Dampness or water in the basement. If however, Seller is notified in writing by owner within twelve (12) months of the date of substantial completion that there is water seepage into the basement, Seller will at no cost to Buyer, install a sump pump.
- (viii) Any condensation problems, including but not limited to windows, skylights or attics.
- (ix) Seller will not be responsible for any condensation caused by placement of recessed lighting in cathedral ceilings and/or areas where condensation can be created.

20. Substitution of Materials and Insurance

- (a) Seller is given the option at Seller's sole discretion to make substitutions of materials of equal or better quality without additional cost to owner whenever Seller finds it necessary or expedient to do so. Seller will have the right to make any minor change or changes in the construction of the project that Seller may in its reasonable discretion find necessary in the course of construction. However, if a major change is necessary, Owner will be notified of the proposed change.
- (b) Seller will have no liability regarding appliances and fixtures supplied by Buyers.

Buyers should incorporate a rider to their existing Homeowners Policy to insure their off premises goods.

21. Grading and Seeding

- (a) Seller will have the sole discretion to establish all vertical and horizontal contours in elevations of grading and the house will be erected upon the lot at such location thereon and at such elevation as Seller in its sole discretion shall deem advisable. Wherein trees exist upon the premises, Seller will take reasonable effort to avoid

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damage; however, in no event will Seller be liable for damage to trees. Seller shall leave all areas with trees in their natural state if so determined by Seller. Vegetation shall remain or be removed at the sole discretion of Seller.

- (b) Seller will finish grading of the lot and seeding of the site in an area not to exceed 1/2 acre (including the land on which the house is built) but no grading or seeding shall be done in area with trees or abnormal topography. Grading will be done with the soil that exists on the said lot. No soil will be brought in to elevate or add due to the topography.

22. Rock

- (a) In the event Seller encounters a subsoil rock formation which (1) prevents penetration with standard excavating equipment, and which (2) requires pulverizing or blasting or construction modifications, then Buyer will be responsible for the cost of removing such rock and/or for the cost of such construction modifications over and above the contract price specified herein or null and void this Agreement.

23. Deposit and Recovery Fund

- (a) Deposits or hand monies shall be paid to Abington Bank, Escrow Agent for Seller, who shall retain the same until consummation or termination of this Agreement in conformity with all applicable laws and regulations. Escrow Agent for Seller may, at his/her option, hold any uncashed check tendered as deposit or hand monies, pending the acceptance of this offer.

A real estate recovery fund exists to reimburse persons who have suffered monetary loss and have obtained an uncollectible judgment due to fraud, misrepresentation or deceit in a real estate transaction by a Pennsylvania licensee. For complete details call (717) 783-3658.

24. Agency

- (a) It is expressly understood and agreed between Seller and Buyer that the within-named agent, broker, _____ (“**Broker**”) and any sub-agent, broker and their sales people, employees, officers, and/or partners are the agents for Seller, not Buyer,

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and that this was disclosed during the initial interview. Further, no agent of Seller has any authority to make any representations, covenants, agreements, or the like, with respect to the Unit. Agent, however, may perform services for Buyer in connection with financing, insurance, and document preparation, and is hereby specifically authorized by Buyer to place the title insurance for said purchase with a reputable title insurance company. Buyer further authorizes Seller's agent to prepare documents and other conveyancing services for Settlement.

25. No Entry

(a) Buyer warrants and agrees that he/she will not enter the Unit or the Community at any time without written permission from Seller and Buyer further warrants and agrees that he will not do any work himself or authorize anyone to do work of any kind on the premises prior to Settlement, i.e., Buyer is required to use Seller's subcontractors for all work inside and outside of the Unit prior to Settlement. Any costs incurred by the Seller as a result of Buyer's failure to comply with this paragraph will be the responsibility of the Buyer at a rate of \$100.00/hr plus materials.

26. No Assignment

(a) This Agreement shall not be assigned or transferred by Buyer without the written consent of Seller being first had and obtained. Subject to the provisions regarding assignment by Buyer, this Agreement shall extend to and bind the heirs, administrators, successors and assigns of the respective parties hereof.

27. Sale of Buyers House

(a) Buyer acknowledges that this Agreement is in no way contingent upon the sale and Settlement of any real estate currently owned by Buyer.

28. Entire Agreement

(a) This Agreement and the exhibits hereto constitute the sole and entire Agreement between the parties concerning the subject matter hereof and may not be modified,

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discharged or amended, except by a writing signed by a duly authorized representative of Buyer and an officer of Seller.

29. Deed Acknowledgement

(a) Buyer acknowledges that Seller is the equitable owner of the subject tract of ground to be conveyed and at Settlement the deed to Buyer may be from the legal owner. Buyer agrees to accept such deed and acknowledges that the legal owner shall have no liability to Buyer concerning construction of the house and the improvements of the subdivision.

30. Liability

(a) It is understood that neither Seller nor Seller's agents can be liable or responsible for consequential damages or personal injury resulting from conditions inherent to home construction or a site under construction before or after Settlement including any incidental expenses that may be incurred by the homeowner. These conditions include but are not limited to construction defects, mud, dust, construction materials and debris, construction vehicles and machinery, road obstructions or road settlement, high manholes and inlets, high curb depressions, etc. Buyer agrees to hold the Seller, it's employees, officer and agents harmless from any and all consequential damages or personal injury resulting from conditions inherent to home construction or a site under construction whether they occur before or after Settlement including any incidental expenses that may be incurred by the homeowner or a guest of the homeowner.

31. WAIVER OF JURY TRIAL

SELLER AND BUYER WAIVE ANY RIGHT TO TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS NOTE OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF MAKER OR PAYEE WITH RESPECT

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TO THIS NOTE OR THE TRANSACTIONS RELATED HERETO IN EACH CASE WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. SELLER AND BUYER AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF SELLER AND BUYER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. MAKER ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THIS SECTION, THAT IT FULLY UNDERSTANDS ITS TERMS, CONTENT AND EFFECT, AND THAT IT VOLUNTARILY AND KNOWINGLY AGREES TO THE TERMS OF THIS SECTION.

32. MOLD

(a) Mold is found in both the indoor and outdoor environment, including homes. Mold growth is highly dependent on the presence of moisture. When a mold spore comes into contact with a wet or damp surface indoors, the mold begins to grow. Mold spores will not grow unless there is moisture present in your home. Therefore, as a homeowner, whether or not you experience mold growth depends to a large extent on how you maintain your home and whether there is a source of moisture present in your home. As a Seller our responsibility is limited to things that we can control and which are provided for in our warranty. By executing this Agreement you agree that as a Seller we are not responsible for any damages caused by mold, including but not

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limited to, property damage, personal injury, loss of income, emotional distress, loss of use and adverse health effects.

33. Installation of Additional Impervious Cover

Buyer acknowledges that the storm water management plan that is part of the subdivision of which your lot is a part, was calculated based upon the impervious cover proposed to be installed by Seller. If, after Settlement, Buyer creates additional impervious cover by expanding Buyer's driveway, installing a patio, swimming pool, tennis court or similar facility, and that additional work results in the municipality requiring Seller to perform additional storm water management control, then the cost of that control shall be borne by Buyer. The cost shall include Seller's design fees, municipal review fees and any costs incurred by Seller.

34. SELLER DEFAULT

If Seller shall default hereunder including Seller's refusal to proceed to settlement with Buyer, Buyer's sole remedy shall be to be repaid the amounts heretofore paid by Buyer on account of the purchase price, together with liquidated damages in the amount of \$1,000.00 and of being reimbursed for reasonable title insurance company charges and reasonable mortgage application fees heretofore incurred, in which event this Agreement shall terminate and neither of the parties shall have any further rights or obligations hereunder. Buyer hereby waives the right to the remedy of specific performance

35. Broker

DESIGNATED AGENT: _____

ADDRESS: _____

TELEPHONE: _____

BUYER AGENT: _____

ADDRESS: _____

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TELEPHONE: _____

DUAL AGENT: _____

ADDRESS: _____

TELEPHONE: _____

IN WITNESS WHEREOF the parties have executed this Agreement this ____ day of

_____, _____

Witness:

Buyer:

Witness:

Buyer:

Witness:

Seller:

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SITE PLAN DISCLOSURE

Development Name

Address/Lot Number

Owner's Name

Block/Unit Number

Please sign the attached to verify that the information about each was presented and explained with regard to your property:

1. Common areas, such as park lands, streets, and open space;
2. All lot lines within the development;
3. All deed restrictions which affect development of the lots;
4. Membership in a homeowner's association, if required. A copy of the Homeowner's Association or Condominium agreement has been provided;
5. All dimensional requirements for the primary uses on each lot, such as setback requirements, building coverage, impervious coverage and height limits;
6. The location of all easements through the development, describing the general terms of the easements and showing which lots are affected by these easements;
7. The location of all areas within the development and on each lot which are classified as wetlands, under the currently used definition, and a reference to Township Code requirements which govern wetlands;
8. The location within the development and on each lot of floodplain area, as defined by the Township's Zoning Ordinance and a reference to Township Code requirements which govern floodplains;

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9. The location of storm water drainage facilities, and the paths of storm water runoff, and a reference to Township Code requirements which govern storm water facilities;
10. Any constraints which would affect emergency vehicles' accessibilities to the development;
11. The zoning of land which abuts the development, and a description of permitted uses for each zoning district;
12. The proposed land use of the development and abutting properties as shown in the Township's most recent Comprehensive Plan;
13. Proposed new road right-of-ways shown in the official map of the Township, if any exists;
14. Any environmental hazards including superfund sites.
15. The location within the development and on each lot of Site Landscaping as required by Township Approval;
16. The location within the development and on each lot to Site Amenities if applicable.

I/we, the undersigned, acknowledge that I/we have received a copy of the subdivision and/or land development plan and related text narrative of my/our property from the seller and understand and agree to the constraints imposed therein with regard to my/our property. I/we also understand that signing this disclosure statement does not release me/us from meeting requirements of any of the Codes of the Township.

Purchaser

Owner/Authorized Agent

Purchaser

Date

Date

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