

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In Re:	:	
ADAMSVILLE PROPERTIES, LLC,	:	BANKRUPTCY NO. 16-10923 TPA
Debtor.	:	
	:	THE HONORABLE THOMAS P. AGRESTI
ADAMSVILLE PROPERTIES, LLC ,	:	
	:	CHAPTER 11
Movant,	:	
	:	DATE AND TIME OF HEARING:
v.	:	April 17, 2017 @ 11:30 a.m.
	:	
CRAWFORD COUNTY TAX CLAIM	:	RESPONSE DEADLINE:
BUREAU; and WEST FALLOWFIELD	:	April 3, 2017
TOWNSHIP,	:	
	:	
Respondents.	:	
	:	

**DEBTOR’S MOTION TO SELL REAL PROPERTY
AND IMPROVEMENTS FREE AND DIVESTED OF LIENS**

AND NOW, this 16th day of March, 2017, comes the Debtor, Adamsville Properties, LLC, Movant (hereinafter referred to as “Debtor” or “Movant”), by and through its counsel, the Quinn Law Firm, with this Motion to Sell Real Property and Improvements Free and Divested of Liens (the “Motion” or “Motion for Sale”) as follows:

Background

1. The Motion is filed pursuant to pursuant to Section 363 of the Bankruptcy Code for the sale of the Debtor’s real property, which is the sole asset owned by the Debtor and which is the subject of the within Motion for Sale.

2. The Bankruptcy Court has jurisdiction over the Motion and under 28 U.S.C. §1334, 28 U.S.C. §157(a) and the Order of Reference to the United States Bankruptcy Court in the Western District of Pennsylvania. This is a core proceeding

under 28 U.S.C. §157(b)(2). Venue of the Debtor's case and this motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This Motion is filed pursuant to 11 U.S.C. §363(f)(3), Federal Bankruptcy Rules 2002, 6004, 9013, and 9014, and Local Bankruptcy Rules 6004-1 and 9013-3.

3. The Debtor is represented by Michael P. Kruszewski, Esquire, the Quinn Law Firm, 2222 West Grandview Blvd., Erie, PA 16506.

4. On September 22, 2016 (the "Petition" date), the Debtor filed a Petition for Relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Western District of Pennsylvania at Erie (the "Bankruptcy Case").

5. The Debtor continues in the management of its business and properties as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No creditors' committee, trustee or examiner has been appointed in this case.

6. Respondent Crawford County, Pennsylvania Tax Claim Bureau ("Crawford"), with a place of business at 903 Diamond Park, Meadville, PA 16335, is represented by its solicitor Keith Button, Esq., the Shafer Law Firm, 890 Market Street, Meadville, PA 16335.

7. Respondent West Fallowfield Township ("Fallowfield"), with a place of business at 6817 Main Street, Hartstown, PA 16131, is represented by Alan R. Shaddinger, Esq., 21 Forest Avenue, Meadville, PA 16335.

Summary of Marketing Efforts and Terms of Proposed Sale

8. The Debtor owns commercial real estate and improvements located at 3982 Main Street, Adamsville, PA 16110, bearing Crawford County Tax Identification

No. 2605-043-44-52-1, and more fully described at Record Book 1109, Page 978 (the “Property”).

9. This is a Single Asset Real Estate Bankruptcy Case. The Bankruptcy Case was filed to allow the Debtor more time to market and sell its sole asset, the Property, as a going concern to the bidder making the highest and best offer.

10. On December 29, 2016, the Court entered an Order authorizing the employment of Andy Bacallao and RE/MAX Hometown Realty (“RE/MAX”) as realtor for the Debtor [Doc. No. 34]. RE/MAX was retained to, inter alia, promote the sale or disposition of the Debtor’s Property.

11. Commencing in on or about December 29, 2016, RE/MAX listed the Property for sale and engaged in a targeted campaign to market the Property to potentially interested and qualified buyers. RE/MAX contacted and solicited expressions of interest from approximately five (5) potential buyers.

12. Subject to Bankruptcy Court approval, the Debtor has entered into an Agreement for the Sale of Commercial Real Estate (“Agreement”) to sell the Property to NH Medicinals (Minnesota) Inc. (“Buyer”). A copy of the Agreement, subject to Bankruptcy Court approval, between the Debtor and the Buyer is attached hereto and incorporated herein by reference as Exhibit “A”.

13. The Property to be sold to the Buyer includes/excludes the fixtures and personal property described in Paragraph 5 of the Agreement, which incorporates the sale of a non-debtor asset with consent from the non-debtor affiliated entity.

14. Paragraph 7 of the Agreement provides for no financing contingency. However, Paragraph 30(B) provides that the purchase is contingent upon Buyer

successfully procuring a Pennsylvania business license, which is anticipated to occur in May or June of 2017.

15. The consideration to be paid by the Buyer at the time of closing for the Property to be sold in accordance with the Agreement is Three Hundred Thirty-Nine Thousand Dollars (\$339,000.00)¹, subject to higher offers at the time of the Bankruptcy Court sale confirmation hearing.

16. The Property had been listed by RE/MAX for \$339,000.00. No other viable offers were received.

17. The sale is conditioned upon (a) the conveyance of the Property to the Buyer free and clear of liens, claims, encumbrances and other interest; (b) Bankruptcy Court approval of the sale; and (c) a licensing contingency that must be satisfied. The licensing contingency must be satisfied before the time of the sale closing.

18. Respondents have claims and liens against the Property to be sold, summarized as follows in order of priority:

- a. Crawford holds pre-Petition delinquent real estate tax liens against the Property in the amount of \$113,495.49, and current post-Petition tax claims in the amount of approximately \$7,300.00, for a total in the amount of approximately \$120,795.49.
- b. Fallowfield holds a second municipal sewer lien against the Property in the amount of \$3,972.54.

19. Upon information and belief, after the payment of all closing costs, including realtor's commission, legal fees, and additional charges, which are currently

¹ \$314,000 is allocated to the Debtor's Property; \$25,000 is allocated to non-debtor personal property.

estimated to total in excess of \$37,000.00, there will be sale proceeds available to pay creditors in full.

Relief Requested

20. Debtor requests that the proposed sale of the Property be ordered to take place free and clear of all liens, claims, encumbrances and other interests as more fully described hereinabove; and, that the liens, claims, encumbrances and other interests be divested from the Property and then transferred to the proceeds of sale.

21. Debtor requests that the costs of sale be paid in full from the proceeds of sale before any distribution to creditors. The costs of sale will include a six (6%) percent realtor's commission ($\$339,000.00 \times 6\% = \$20,340.00$); approximately \$15,000.00 in estimated legal fees; sewer, water, and advertising costs totaling approximately \$5,000.00; and, current real estate taxes in the estimated amount of \$7,300.00 to be paid at the time of closing. Therefore, the total amount to be paid at or about the time of closing based upon a \$339,000.00 sale price, in advance of any distribution to unsecured creditors, is approximately \$156,940.03.

22. The best interests of creditors and the estate will be served if the Debtor is authorized to sell the Property in the form and manner contemplated by the Agreement, subject to higher and better offers at the time of the Bankruptcy Court's sale confirmation hearing.

23. The Buyer understands that the Debtor is obligated to present this Motion for Bankruptcy Court approval and that other parties will be given an opportunity to bid more for the Property. Any higher bid, however, must be submitted in accordance with a court-ordered or court-authorized bidding procedure. If a substantially higher bid is

received in accordance with a court-ordered or court-authorized bidding procedure, the proposed private sale to Buyer will be denied and a public auction will be held in the Bankruptcy Court at the time of the sale hearing.

24. The Buyer also understands that all of the contingencies must be satisfied prior to the sale confirmation hearing date.

25. The bidding procedure usually requires that the terms and conditions of any competing bid must be the same as the terms and conditions set forth in the Agreement, except for the increased purchase price.

26. The Buyer is acting in good faith as required by In Re: Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143 (3rd Cir. 1986).

27. The Property is available for inspection. Arrangements for the inspection should be made with the undersigned attorney for the Debtor. Any and all interested parties should act promptly.

WHEREFORE, the Debtor prays for entry of an order (1) authorizing the Debtor to sell the Property free and clear of the above-described liens, claims, encumbrances and other interests to NH Medicinals (Minnesota) Inc., in accordance with the terms and conditions of the Agreement; (2) ordering that the liens, claims, encumbrances and other interests in, to and against the Property be divested therefrom; (3) ordering that the liens, claims, encumbrances and other interests be transferred to the proceeds of sale, but only to the extent that they are found to be valid, enforceable and unavoidable liens, claims, encumbrances and other interests; (4) ordering that the Court-approved costs of sale be paid from the proceeds of sale in advance of any distribution to creditors; (5) ordering that the net proceeds of sale be paid at closing to the

Respondents as their liens and interests appear; and, (6) ordering that the Debtor have such other and further relief as is reasonable and just.

Respectfully submitted,

THE QUINN LAW FIRM

BY: /s/Michael P. Kruszewski

Michael P. Kruszewski, Esquire

PA Id. No. 91239

2222 West Grandview Blvd.

Erie, Pennsylvania 16506

Telephone: 814-833-2222

Fax: 814-833-6753

mkruszewski@quinnfirm.com

Attorneys for Debtor

EXHIBIT "A"

AGREEMENT FOR THE SALE OF COMMERCIAL REAL ESTATE

ASC

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

PARTIES	
BUYER(S): <u>NH Medicinals (Minnesota) Inc</u>	SELLER(S): <u>Adamsville Properties, LLC</u>

PROPERTY
PROPERTY ADDRESS <u>3982 Main St, Adamsville, PA</u>
ZIP <u>16110</u>
in the municipality of <u>West Fallowfield</u>
County of _____, in the Commonwealth of Pennsylvania.
Identification (e.g., Parcel #; Lot, Block; Deed Book, Page, Recording Date): <u>1109/978</u>
Tax ID #(s): <u>2605-043</u>

BUYER'S RELATIONSHIP WITH PA LICENSED BROKER	
<input type="checkbox"/> No Business Relationship (Buyer is not represented by a broker)	
Broker (Company) <u>REMAX Hometown Realty</u>	Licensee(s) (Name) <u>Nathan Haack</u>
Company Address <u>369 Chestnut St, Meadville, PA 16335</u>	Direct Phone(s) _____
Company Phone <u>(814) 333-1141</u>	Cell Phone(s) <u>(814) 547-3329</u>
Company Fax _____	Fax _____
Broker is (check only one):	Email <u>nathanhaack1@gmail.com</u>
<input type="checkbox"/> Buyer Agent (Broker represents Buyer only)	Licensee(s) is (check only one):
<input checked="" type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	<input type="checkbox"/> Buyer Agent (all company licensees represent Buyer)
	<input checked="" type="checkbox"/> Buyer Agent with Designated Agency (only Licensee(s) named above represent Buyer)
	<input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
	<input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Buyer)

SELLER'S RELATIONSHIP WITH PA LICENSED BROKER	
<input type="checkbox"/> No Business Relationship (Seller is not represented by a broker)	
Broker (Company) <u>REMAX Hometown Realty</u>	Licensee(s) (Name) <u>Andy Bacallao</u>
Company Address <u>369 Chestnut St, Meadville, PA 16335</u>	Direct Phone(s) _____
Company Phone <u>(814) 333-1141</u>	Cell Phone(s) <u>(814) 795-7855</u>
Company Fax _____	Fax _____
Broker is (check only one):	Email <u>Andyb1@remax.net</u>
<input type="checkbox"/> Seller Agent (Broker represents Seller only)	Licensee(s) is (check only one):
<input checked="" type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	<input type="checkbox"/> Seller Agent (all company licensees represent Seller)
	<input checked="" type="checkbox"/> Seller Agent with Designated Agency (only Licensee(s) named above represent Seller)
	<input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
	<input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Seller)

DUAL AND/OR DESIGNATED AGENCY
 A Broker is a Dual Agent when a Broker represents both Buyer and Seller in the same transaction. A Licensee is a Dual Agent when a Licensee represents Buyer and Seller in the same transaction. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agents for Buyer and Seller. If the same Licensee is designated for Buyer and Seller, the Licensee is a Dual Agent.
 By signing this Agreement, Buyer and Seller each acknowledge having been previously informed of, and consented to, dual agency, if applicable.

Buyer Initials: JF / _____

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Seller Initials: _____ / JM



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JF

1 By this Agreement, dated ~~March 2, 2017~~ March 13, 2017, Seller hereby agrees to sell and convey to
2 Buyer, who agrees to purchase, the identified Property.

3 2. PURCHASE PRICE AND DEPOSITS (3-15)

4 (A) Purchase Price \$339,000.00
5 (Three Hundred Thirty-Nine Thousand _____ U.S. Dollars), to be paid by Buyer as follows:

6	1. Initial Deposit, within <u>10</u> days (5 if not specified) of Execution Date,	
7	if not included with this Agreement:	\$ <u>20,000.00</u>
8	2. Additional Deposit within _____ days of the Execution Date:	\$ _____
9	3. _____	\$ _____

10 Remaining balance will be paid at settlement.

11 (B) All funds paid by Buyer, including deposits, will be paid by check, cashier's check or wired funds. All funds paid by Buyer
12 within 30 DAYS of settlement, including funds paid at settlement, will be by cashier's check or wired funds, but not by per-
13 sonal check.

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

20 3. SETTLEMENT AND POSSESSION (6-13)

21 (A) Settlement Date is July 1, 2017 _____, or before if Buyer and Seller agree.

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

24 (C) At time of settlement, the following will be pro-rated on a daily basis between Buyer and Seller, reimbursing where applicable:
25 current taxes; rents; interest on mortgage assumptions; condominium fees and homeowner association fees; water and/or sewer
26 fees, together with any other tenable municipal service fees. All charges will be pro-rated for the period(s) covered. Seller will
27 pay up to and including the date of settlement and Buyer will pay for all days following settlement, unless otherwise stated here:
28 _____

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

33 (E) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here: _____
34 Mineral, oil & gas rights reserved to seller. JF

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

36 (G) Possession is to be delivered by deed, existing keys and physical possession to a vacant Property free of debris, with all structures
37 broom-clean, at day and time of settlement, unless Seller, before signing this Agreement, has identified in writing that the Property
38 is subject to a lease.

39 (H) If Seller has identified in writing that the Property is subject to a lease, possession is to be delivered by deed, existing keys and
40 assignment of existing leases for the Property, together with security deposits and interest, if any, at day and time of settlement. Seller
41 will not enter into any new leases, nor extend existing leases, for the Property without the written consent of Buyer. Buyer will
42 acknowledge existing lease(s) by initialing the lease(s) at the execution of this Agreement, unless otherwise stated in this Agreement.
43 Tenant-Occupied Property Addendum (PAR Form TOP) is attached and made part of this Agreement.

44 4. DATES/TIME IS OF THE ESSENCE (3-15) March 13, 2017 JF Jm

45 (A) Written acceptance of all parties will be on or before ~~March 2, 2017~~ _____

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

48 (C) The Execution Date of this Agreement is the date when Buyer and Seller have indicated full acceptance of this Agreement by sign-
49 ing and/or initialing it. For purposes of this Agreement, the number of days will be counted from the Execution Date, excluding
50 the day this Agreement was executed and including the last day of the time period. All changes to this Agreement should be ini-
51 tialled and dated.

52 (D) The Settlement Date is not extended by any other provision of this Agreement and may only be extended by mutual written agree-
53 ment of the parties.

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

57 5. FIXTURES AND PERSONAL PROPERTY (4-14)

58 (A) INCLUDED in this sale are all existing items permanently installed in the Property, free of liens, including plumbing; heating; HVAC
59 equipment; lighting fixtures (including chandeliers and ceiling fans); and water treatment systems, unless otherwise stated below; any
60 remaining heating, cooking and other fuels stored on the Property at the time of settlement. Also included: _____
61 _____
62 _____
63 _____
64 _____
65 _____

67- (B) The following items are LEASED (not owned by Seller): _____
 68 _____

69 (C) EXCLUDED fixtures and items: _____
 70 80 ton press, security safe, shelving & other personal property *JF*

71 6. ZONING (4-14)
 72 Failure of this Agreement to contain the zoning classification (except in cases where the property (and each parcel thereof, if subdividable) is zoned solely or primarily to permit single-family dwellings) will render this Agreement voidable at Buyer's option, and, if voided, any deposits tendered by the Buyer will be returned to the Buyer without any requirement for court action.
 74 Zoning Classification, as set forth in the local zoning ordinance: None

76 7. FINANCING CONTINGENCY (4-14)
 77 WAIVED. This sale is NOT contingent on financing, although Buyer may obtain financing and/or the parties may include an appraisal contingency.
 78 ELECTED.

79 (A) This sale is contingent upon Buyer obtaining financing according to the following terms:
 80

81 First Loan on the Property	Second Loan on the Property
82 Loan Amount \$ _____	Loan Amount \$ _____
83 Minimum Term _____ years	Minimum Term _____ years
84 Type of Loan _____	Type of Loan _____
85 Interest rate _____ %; however, Buyer agrees to accept the	Interest rate _____ %; however, Buyer agrees to accept the
86 interest rate as may be committed by the lender, not to exceed	interest rate as may be committed by the lender, not to exceed
87 a maximum interest rate of _____ %.	a maximum interest rate of _____ %.

88 (B) Financing Commitment Date _____
 89 (C) Within _____ days (10 if not specified) from the Execution Date of this Agreement, Buyer will make a completed, written application for the financing terms stated above to a responsible lender(s) of Buyer's choice. Broker for Buyer, if any, otherwise Broker for Seller, is authorized to communicate with the lender(s) to assist in the financing process.

92 (D) Should Buyer furnish false or incomplete information to Seller, Broker(s), or the lender(s) concerning Buyer's legal or financial status, or fail to cooperate in good faith in processing the financing application, which results in the lender(s) refusing to approve a financing commitment, Buyer will be in default of this Agreement.

95 (E) Upon receipt of a financing commitment, Buyer will promptly deliver a copy of the commitment to Seller. Unless otherwise agreed to in writing by Buyer and Seller, if a written commitment is not received by Seller by the above date, this Agreement may be terminated by Buyer or Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24. Buyer will be responsible for any premiums for mechanics' lien insurance and/or title search, or fee for cancellation of same, if any; AND/OR any premiums for flood insurance and/or fire insurance with extended coverage, insurance binder charges or cancellation fee, if any; AND/OR any appraisal fees and charges paid in advance to lender.

101 8. CHANGE IN BUYER'S FINANCIAL STATUS (4-14)
 102 In the event of a change in Buyer's financial status affecting Buyer's ability to purchase, Buyer shall, within _____ days (5 if not specified) of said change notify Seller and lender(s) to whom the Buyer submitted loan application, if any, in writing. A change in financial status includes, but is not limited to, loss or a change in income; Buyer's having incurred a new financial obligation; entry of a judgment against Buyer. Buyer understands that applying for and/or incurring an additional financial obligation may affect Buyer's ability to purchase.

107 9. SELLER REPRESENTATIONS (6-13)

108 (A) Status of Water
 109 Seller represents that the Property is served by:
 110 Public Water Community Water On-site Water None _____

111 (B) Status of Sewer
 112 1. Seller represents that the Property is served by:
 113 Public Sewer Community Sewage Disposal System Ten-Acre Permit Exemption (see Sewage Notice 2)
 114 Individual On-lot Sewage Disposal System (see Sewage Notice 1) Holding Tank (see Sewage Notice 3)
 115 Individual On-lot Sewage Disposal System in Proximity to Well (see Sewage Notice 1; see Sewage Notice 4, if applicable)
 116 None (see Sewage Notice 1) None Available/Permit Limitations in Effect (see Sewage Notice 5)
 117 _____

118 2. Notices Pursuant to the Pennsylvania Sewage Facilities Act
 119 Notice 1: There is no currently existing community sewage system available for the subject property. Section 7 of the Pennsylvania Sewage Facilities Act provides that no person shall install, construct, request bid proposals for construction, alter, repair or occupy any building or structure for which an individual sewage system is to be installed, without first obtaining a permit. Buyer is advised by this notice that, before signing this Agreement, Buyer should contact the local agency charged with administering the Act to determine the procedure and requirements for obtaining a permit for an individual sewage system. The local agency charged with administering the Act will be the municipality where the Property is located or that municipality working cooperatively with others.

126 Buyer Initials: JF / _____ ASC Page 3 of 9 Seller Initials: _____ / *JF*

127 Notice 2: This Property is serviced by an individual sewage system installed under the ten-acre permit exemption provisions
128 of Section 7 of the Pennsylvania Sewage Facilities Act. (Section 7 provides that a permit may not be required before installing,
129 constructing, awarding a contract for construction, altering, repairing or connecting to an individual sewage system where a ten-acre
130 parcel or lot is subdivided from a parent tract after January 10, 1987). Buyer is advised that soils and site testing were not conduct-
131 ed and that, should the system malfunction, the owner of the Property or properties serviced by the system at the time of a mal-
132 function may be held liable for any contamination, pollution, public health hazard or nuisance which occurs as a result.

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

137 Notice 4: An individual sewage system has been installed at an isolation distance from a well that is less than the dis-
138 tance specified by regulation. The regulations at 25 Pa. Code §73.13 pertaining to minimum horizontal isolation distances
139 provide guidance. Subsection (b) of §73.13 states that the minimum horizontal isolation distance between an individual water
140 supply or water supply system suction line and treatment tanks shall be 50 feet. Subsection (c) of §73.13 states that the hori-
141 zontal isolation distance between the individual water supply or water supply system suction line and the perimeter of the
142 absorption area shall be 100 feet.

143 Notice 5: This lot is within an area in which permit limitations are in effect and is subject to those limitations. Sewage facili-
144 ties are not available for this lot and construction of a structure to be served by sewage facilities may not begin until the municipally
145 completes a major planning requirement pursuant to the Pennsylvania Sewage Facilities Act and regulations promulgated thereunder.

146 (C) Seller represents and warrants that Seller has no knowledge except as noted in this Agreement that: (1) The premises have been
147 contaminated by any substance in any manner which requires remediation; (2) The Property contains wetlands, flood plains, or
148 any other environmentally sensitive areas, development of which is limited or precluded by law; (3) The Property contains
149 asbestos, polychlorinated biphenyls, lead-based paint or any other substance, the removal or disposal of which is subject to any
150 law or regulation; and (4) Any law has been violated in the handling or disposal of any material or waste or the discharge of any
151 material into the soil, air, surface water, or ground water

152 (D) Seller agrees to indemnify and to hold Broker harmless from and against all claims, demands, or liabilities, including attorneys
153 fees and court costs, which arise from or are related to the environmental condition or suitability of the Property prior to, during,
154 or after Seller's occupation of the Property including without limitation any condition listed in Paragraph 9(C).

155 (B) Seller is not aware of historic preservation restrictions regarding the Property unless otherwise stated here: _____
156 _____

157 (F) Seller represents that, as of the date Seller signed this Agreement, no public improvement, condominium or homeowner associa-
158 tion assessments have been made against the Property which remain unpaid, and that no notice by any government or public
159 authority has been served upon Seller or anyone on Seller's behalf, including notices relating to violations of zoning, housing,
160 building, safety or fire ordinances that remain uncorrected, and that Seller knows of no condition that would constitute a viola-
161 tion of any such ordinances that remain uncorrected, unless otherwise specified here: _____
162 _____

163 (G) Seller knows of no other potential notices (including violations) and/or assessments except as follows: _____
164 _____

165 (H) Access to a public road may require issuance of a highway occupancy permit from the Department of Transportation.
166

167 10. WAIVER OF CONTINGENCIES (9-03)

168 If this Agreement is contingent on Buyer's right to inspect and/or repair the Property, or to verify insurability, environmental
169 conditions, boundaries, certifications, zoning classification or use, or any other information regarding the Property, Buyer's
170 failure to exercise any of Buyer's options within the times set forth in this Agreement is a WAIVER of that contingency and
171 Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement.

172 11. BUYER'S DUE DILIGENCE (3-15)

173 (A) The Property will be transferred in its present condition. It is Buyer's responsibility to determine that the condition and permitted
174 use of the property is satisfactory within 30 days (30 if not specified) from the Execution Date to conduct due diligence (Due
175 Diligence Period), including verifying the condition, permitted use, insurability, environmental conditions, boundaries, certifica-
176 tions, deed restrictions, zoning classifications and any other features of the Property are satisfactory. Buyer may request that the
177 property be inspected, at Buyer's expense, by qualified professionals to determine the physical, structural, mechanical and envi-
178 ronmental condition of the land, improvements or their components, or for the suitability of the property for Buyer's needs. If as
179 the result of Buyer's due diligence, Buyer determines that the property is not suitable for Buyer's needs, Buyer may, prior to the
180 expiration of the Due Diligence Period, terminate this Agreement by written notice to Seller, with all deposit monies returned to
181 Buyer according to the terms of Paragraph 24 of this Agreement. In the event that Buyer has not provided Seller with written notice
182 of Buyer's intent to terminate this Agreement prior to the end of the Due Diligence Period, this Agreement shall remain in full
183 force and effect in accordance with the terms and conditions as more fully set forth in this Agreement.

184 (B) Buyer has inspected the Property (including fixtures and any personal property specifically listed herein) or has waived the
185 right to do so, and agrees to purchase the Property IN ITS PRESENT CONDITION as a result of such inspections and not
186 because of or in reliance on any representations made by seller or any other party. Buyer acknowledges that Brokers, their
187 licensees, employees, officers or partners have not made an independent examination or determination of the structural soundness
188 of the Property, the age or condition of the components, environmental conditions, the permitted uses, nor of conditions existing
189 in the locale where the Property is situated; nor have they made a mechanical inspection of any of the systems contained therein.

190 Buyer Initials: JF / _____

Seller Initials: _____ / JM

- 191 (C) Any repairs required by this Agreement will be completed in a workman like manner.
- 192 (D) Revised flood maps and changes to Federal law may substantially increase future flood insurance premiums or require insurance
- 193 for formerly exempt properties. Buyer should consult with one or more insurance agents regarding the need for flood insurance
- 194 and possible premium increases.

12. NOTICES, ASSESSMENTS AND MUNICIPAL REQUIREMENTS (4-14)

196 (A) In Pennsylvania, taxing authorities (school districts and municipalities) and property owners may appeal the assessed value of a
197 property at the time of sale, or at any time thereafter. A successful appeal by a taxing authority may result in a higher assessed
198 value for the property and an increase in property taxes. Also, periodic county-wide property reassessments may change the
199 assessed value of the property and result in a change in property tax.

200 (B) With the exception of county-wide reassessments, assessment appeal notices, notices of change in millage rates or increases in
201 rates, in the event any other notices, including violations, and/or assessments are received after Seller has signed this Agreement
202 and before settlement, Seller will within _____ days (10 if not specified) of receiving the notices and/or assessments provide a
203 copy of the notices and/or assessments to Buyer and will notify Buyer in writing that Seller will:

- 204 1. Fully comply with the notices and/or assessments, at Seller's expense, before settlement. If Seller fully complies with the
- 205 notices and/or assessments, Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement, OR
- 206 2. Not comply with the notices and/or assessments. If Seller chooses not to comply with the notices and/or assessments, or fails
- 207 within the stated time to notify Buyer whether Seller will comply, Buyer will notify Seller in writing within _____ days
- 208 (10 if not specified) that Buyer will:

209 a. Comply with the notices and/or assessments at Buyer's expense, accept the Property, and agree to the RELEASE in
210 Paragraph 26 of this Agreement, OR

211 b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
212 Paragraph 24 of this Agreement.

213 If Buyer fails to respond within the time stated in Paragraph 12(B)(2) or fails to terminate this Agreement by written notice to
214 Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement.

215 (C) If required by law, within 30 DAYS from the Execution Date of this Agreement, but in no case later than 15 DAYS prior to
216 Settlement Date, Seller will order at Seller's expense a certification from the appropriate municipal department(s) disclosing notice
217 of any uncorrected violations of zoning, housing, building, safety or fire ordinances and/or a certificate permitting occupancy of the
218 Property. If Buyer receives a notice of any required repairs/improvements, Buyer will promptly deliver a copy of the notice to Seller.

219 (D) Seller has no knowledge of any current or pending condemnation or eminent domain proceedings that would affect the Property.
220 If any portion of the Property should be subject to condemnation or eminent domain proceedings after the signing of this
221 Agreement, Seller shall immediately advise Buyer, in writing, of such proceedings. Buyer will have the option to terminate this
222 Agreement by written notice to Seller within _____ days (15 days if not specified) after Buyer learns of the filing of such
223 proceedings, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement. Buyer's failure
224 to provide notice of termination within the time stated will constitute a WAIVER of this contingency and all other
225 terms of this Agreement remain in full force and effect.

226 13. TAX DEFERRED EXCHANGE (4-14)

227 (A) If Seller notifies Buyer that it wishes to enter into a tax deferred exchange for the Property pursuant to the Internal Revenue Code,
228 Buyer agrees to cooperate with Seller in connection with such exchange, including the execution of such documents as may be
229 reasonably necessary to conduct the exchange, provided that there shall be no delay in the agreed-to settlement date, and that any
230 additional costs associated with the exchange are paid solely by Seller. Buyer is aware that Seller anticipates assigning Seller's
231 interest in this Agreement to a third party under an Exchange Agreement and consents to such assignment. Buyer shall not be
232 required to execute any note, contract, deed or other document providing any liability which would survive the exchange, nor shall
233 Buyer be obligated to take title to any property other than the Property described in this Agreement. Seller shall indemnify and
234 hold harmless Buyer against any liability which arises or is claimed to have arisen from any aspect of the exchange transaction

235 (B) If Buyer notifies Seller that it wishes to enter into a tax deferred exchange for the Property pursuant to the Internal Revenue Code,
236 Seller agrees to cooperate with Buyer in connection with such exchange, including the execution of such documents as may be
237 reasonably necessary to conduct the exchange, provided that there shall be no delay in the agreed-to settlement date, and that any
238 additional costs associated with the exchange are paid solely by Buyer. Seller is aware that Buyer has assigned Buyer's interest
239 in this Agreement to a third party under an Exchange Agreement and consents to such assignment. Seller shall not be required
240 to execute any note, contract, deed or other document providing any liability which would survive the exchange. Buyer shall
241 indemnify and hold harmless Seller against any liability which arises or is claimed to have arisen from any aspect of the exchange
242 transaction.

243 14. COMMERCIAL CONDOMINIUM (10-01)

244 NOT APPLICABLE.
245 APPLICABLE: Buyer acknowledges that the condominium unit to be transferred by this Agreement is intended for nonresi-
246 dential use, and that Buyer may agree to modify or waive the applicability of certain provisions of the Uniform Condominium
247 Act of Pennsylvania (68 Pa.C.S. §3101 et seq.).

248 15. TITLES, SURVEYS AND COSTS (4-14)

249 (A) The Property will be conveyed with good and marketable title that is insurable by a reputable title insurance company at the reg-
250 ular rates, free and clear of all liens, encumbrances, and easements, excepting however the following: existing deed restrictions;
251 historic preservation restrictions or ordinances; building restrictions; ordinances; easements of roads; easements visible upon the
252 ground; easements of record; and privileges or rights of public service companies, if any. Mineral, oil & gas rights *JF* *JF*

253 (B) Buyer will pay for the following: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation;
254 (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees
255 and charges paid in advance to mortgage lender; (4) Buyer's customary settlement costs and accruals.

256 Buyer Initials: JF / _____

Seller Initials: _____ *JF*

- 257 (C) Any survey or surveys required by the title insurance company or the abstracting company for preparing an adequate legal
- 258 description of the Property (or the correction thereof) will be obtained and paid for by Seller. Any survey or surveys desired by
- 259 Buyer or required by the mortgage lender will be obtained and paid for by Buyer.
- 260 (D) In the event of a change in Seller's financial status affecting Seller's ability to convey title to the Property as set forth in this
- 261 Agreement on or before the Settlement Date, or any extension thereof, Seller shall, within 5 days (5 if not specified) noti-
- 262 fy Buyer, in writing. A change in financial status includes, but is not limited to, Seller filing bankruptcy; filing of a foreclosure
- 263 law suit against the Property; entry of a monetary judgment against Seller; notice of public tax sale affecting the Property; and
- 264 Seller learning that the sale price of the Property is no longer sufficient to satisfy all liens and encumbrances against the Property.
- 265 In the event of the death of Seller, the representative of the estate, or a surviving Seller shall immediately notify Buyer.
- 266 (E) If Seller is unable to give good and marketable title that is insurable by a reputable title insurance company at the regular rates, as
- 267 specified in Paragraph 15(A), Buyer may terminate this Agreement by written notice to Seller, with all deposit monies returned to
- 268 Buyer according to the terms of Paragraph 24 of this Agreement. Upon termination, Seller will reimburse Buyer for any costs
- 269 incurred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and for those items spec-
- 270 ified in Paragraph 15(B) items (1), (2), (3) and in Paragraph 15(C).
- 271 (F) Oil, gas, mineral, or other rights of this Property may have been previously conveyed or leased, and Sellers make no represen-
- 272 tation about the status of those rights unless indicated elsewhere in this Agreement.
- 273 Oil, Gas and Mineral Rights Addendum (PAR Form OGM) is attached and made part of this Agreement.
- 274 (G) COAL NOTICE (Where Applicable)

275 THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS OF SUPPORT UNDER-

276 NEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THIS COMPLETE

277 LEGAL RIGHT TO REMOVE ALL SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY

278 HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. (This notice is set forth in the manner provided in Section 1 of the

279 Act of July 17, 1957, P.L. 984.) "Buyer acknowledges that he may not be obtaining the right of protection against subsidence

280 resulting from coal mining operations, and that the property described herein may be protected from damage due to mine sub-

281 sidence by a private contract with the owners of the economic interests in the coal. This acknowledgement is made for the pur-

282 pose of complying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of April

283 27, 1966." Buyer agrees to sign the deed from Seller which deed will contain the aforesaid provision.

- 284 (H) The Property is not a "recreational cabin" as defined in the Pennsylvania Construction Code Act unless otherwise stated here: _____
- 285
- 286 (I) 1. This property is not subject to a Private Transfer Fee Obligation unless otherwise stated here: _____
- 287

288 Private Transfer Fee Addendum (PAR Form PTF) is attached and made part of this Agreement.

289 2. Notice Regarding Private Transfer Fees: In Pennsylvania, Private Transfer Fees are defined and regulated in the Private

290 Transfer Fee Obligation Act (Act 1 of 2011; 68 Pa.C.S. §§ 8101, et. seq.), which defines a Private Transfer Fee as "a fee that

291 is payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, if the obli-

292 gation to pay the fee or charge runs with title to the property or otherwise binds subsequent owners of property, regardless of

293 whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price

294 or other consideration given for the transfer. "A Private Transfer Fee must be properly recorded to be binding, and sellers must

295 disclose the existence of the fees to prospective buyers. Where a Private Transfer Fee is not properly recorded or disclosed,

296 the Act gives certain rights and protections to buyers.

297 16. MAINTENANCE AND RISK OF LOSS (10-06)

- 298 (A) Seller will maintain the Property, grounds, fixtures and personal property specifically listed in this Agreement in its present con-
- 299 dition, normal wear and tear excepted.
- 300 (B) Seller will promptly notify the Buyer if, at any time prior to the time of settlement, all or any portion of the Property is destroyed,
- 301 or damaged as a result of any cause whatsoever.
- 302 (C) Seller bears the risk of loss from fire or other casualties until settlement. If any property included in this sale is destroyed and
- 303 not replaced, Buyer will:
- 304 1. Accept the Property in its then current condition together with the proceeds of any insurance recovery obtainable by Seller, OR
- 305 2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
- 306 Paragraph 24 of this Agreement.

307 17. RECORDING (9-05)

308 This Agreement will not be recorded in the Office of the Recorder of Deeds or in any other office or place of public record. If Buyer

309 causes or permits this Agreement to be recorded, Seller may elect to treat such act as a default of this Agreement.

310 18. ASSIGNMENT (1-10)

311 This Agreement is binding upon the parties, their heirs, personal representatives, guardians and successors, and to the extent assign-

312 able, on the assigns of the parties hereto. Buyer will not transfer or assign this Agreement without the written consent of Seller unless

313 otherwise stated in this Agreement. Assignment of this Agreement may result in additional transfer taxes.

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

- 315 (A) The validity and construction of this Agreement, and the rights and duties of the parties, will be governed in accordance with the
- 316 laws of the Commonwealth of Pennsylvania.
- 317 (B) The parties agree that any dispute, controversy or claim arising under or in connection with this Agreement or its performance by either
- 318 party submitted to a court shall be filed exclusively by and in the state or federal courts sitting in the Commonwealth of Pennsylvania.
- 319 Seller understands that any documentation provided under this provision may be disclosed to the Internal Revenue Service by
- 320 Buyer, and that any false statements contained therein could result in punishment by fine, imprisonment, or both.

321 Buyer Initials: JF / _____

Seller Initials: _____ / JM

322 20. NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW) (6-13)

323 The Pennsylvania General Assembly has passed legislation (often referred to as "Megan's Law," 42 Pa.C.S. § 9791 et seq.) provid-
324 ing for community notification of the presence of certain convicted sex offenders. Buyers are encouraged to contact the munic-
325 ipal police department or the Pennsylvania State Police for information relating to the presence of sex offenders near a particular
326 property, or to check the information on the Pennsylvania State Police Web site at www.pamenganslaw.state.pa.us.

327 21. CERTIFICATION OF NON-FOREIGN INTEREST (10-01)

328 Seller IS a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate subject to Section 1445 of the
329 Internal Revenue Code, which provides that a transferee (Buyer) of a U.S. real property interest must withhold tax if the trans-
330 feror (Seller) is a foreign person.

331 Seller IS NOT a foreign person, foreign corporation, foreign partnership, foreign trust, or a foreign estate as defined by the
332 Internal Revenue Code, or is otherwise not subject to the tax withholding requirements of Section 1445 of the Internal Revenue
333 Code. To inform Buyer that the withholding of tax is not required upon the sale/disposition of the Property by Seller, Seller here-
334 by agrees to furnish Buyer, at or before closing, with the following:

335 An affidavit stating, under penalty of perjury, the Seller's U.S. taxpayer identification number and that the Seller is not a for-
336 eign person.

337 A "qualifying statement," as defined by statute, that tax withholding is not required by Buyer.

338 Other: _____

339 22. REPRESENTATIONS (1-10)

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

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

346 23. BROKER INDEMNIFICATION (6-13)

347 (A) Buyer and Seller represent that the only Brokers involved in this transaction are: Andrew Bacallao, Remax & Nathan Haack,
348 Remax Commission is due only upon closing of the purchase.

349 and that the transaction has not been brought about through the efforts of anyone other than said Brokers. It is agreed that if any
350 claims for brokerage commissions or fees are ever made against Buyer or Seller in connection with this transaction, each party
351 shall pay its own legal fees and costs in connection with such claims. It is further agreed that Buyer and Seller agree to indem-
352 nify and hold harmless each other and the above-listed Brokers from and against the non-performance of this Agreement by either
353 party, and from any claim of loss or claim for brokerage commissions, including all legal fees and costs, that may be made by
354 any person or entity. This paragraph shall survive settlement.

355 (B) Seller and Buyer acknowledge that any Broker identified in this Agreement: (1) Is a licensed real estate broker; (2) Is not an
356 expert in construction, engineering, code or regulatory compliance or environmental matters and was not engaged to provide
357 advice or guidance in such matters, unless otherwise stated in writing; and (3) Has not made and will not make any representa-
358 tions or warranties nor conduct investigations of the environmental condition or suitability of the Property or any adjacent prop-
359 erty, including but not limited to those conditions listed in Paragraph 9(C).

360 24. DEFAULT, TERMINATION AND RETURN OF DEPOSITS (1-10)

361 (A) Where Buyer terminates this Agreement pursuant to any right granted by this Agreement, Buyer will be entitled to a return of all
362 deposit monies paid on account of Purchase Price pursuant to the terms of Paragraph 24(B), and this Agreement will be VOID.
363 Termination of this Agreement may occur for other reasons giving rise to claims by Buyer and/or Seller for the deposit monies.

364 (B) Regardless of the apparent entitlement to deposit monies, Pennsylvania law does not allow a Broker holding deposit monies to
365 determine who is entitled to the deposit monies when settlement does not occur. Broker can only release the deposit monies:

366 1. If this Agreement is terminated prior to settlement and there is no dispute over entitlement to the deposit monies. A written
367 agreement signed by both parties is evidence that there is no dispute regarding deposit monies.

368 2. If, after Broker has received deposit monies, Broker receives a written agreement that is signed by Buyer and Seller, direct-
369 ing Broker how to distribute some or all of the deposit monies.

370 3. According to the terms of a final order of court.

371 4. According to the terms of a prior written agreement between Buyer and Seller that directs the Broker how to distribute the
372 deposit monies if there is a dispute between the parties that is not resolved. (See Paragraph 24(C))

373 (C) Buyer and Seller agree that if there is a dispute over the entitlement to deposit monies that is unresolved _____ days (180 if not
374 specified) days after the Settlement Date stated in Paragraph 3(A) (or any written extensions thereof) or following date of termination
375 of the Agreement, whichever is earlier, then the Broker holding the deposit monies will, within 30 days of receipt of Buyer's
376 written request, distribute the deposit monies to Buyer unless the Broker is in receipt of verifiable written notice that the dispute is
377 the subject of litigation. If Broker has received verifiable written notice of litigation prior to the receipt of Buyer's request for distribution,
378 Broker will continue to hold the deposit monies until receipt of a written distribution agreement between Buyer and Seller
379 or a final court order. Buyer and Seller are advised to initiate litigation for any portion of the deposit monies prior to any distribution
380 made by Broker pursuant to this paragraph. Buyer and Seller agree that the distribution of deposit monies based upon the passage
381 of time does not legally determine entitlement to deposit monies, and that the parties maintain their legal rights to pursue litigation
382 even after a distribution is made.

383 (D) Buyer and Seller agree that Broker who holds or distributes deposit monies pursuant to the terms of Paragraph 24 or Pennsylvania
384 law will not be liable. Buyer and Seller agree that if any Broker or affiliated licensee is named in litigation regarding deposit
385 monies, the attorneys' fees and costs of the Broker(s) and licensee(s) will be paid by the party naming them in litigation.

386 Buyer Initials: JF / _____

Seller Initials: _____ / JM

387 (E) Seller has the option of retaining all sums paid by Buyer, including the deposit monies, should Buyer:
388 1. Fail to make any additional payments as specified in Paragraph 2, OR
389 2. Furnish false or incomplete information to Seller, Broker(s), or any other party identified in this Agreement concerning
390 Buyer's legal or financial status, OR
391 3. Violate or fail to fulfill and perform any other terms or conditions of this Agreement.

392 (F) Unless otherwise checked in Paragraph 24(G), Seller may elect to retain those sums paid by Buyer, including deposit monies:
393 1. On account of purchase price, OR
394 2. As monies to be applied to Seller's damages. OR
395 3. As liquidated damages for such default.

396 (G) SELLER IS LIMITED TO RETAINING SUMS PAID BY BUYER, INCLUDING DEPOSIT MONIES, AS LIQUIDATED
397 DAMAGES.

398 (H) If Seller retains all sums paid by Buyer, including deposit monies, as liquidated damages pursuant to Paragraph 24(F) or (G),
399 Buyer and Seller are released from further liability or obligation and this Agreement is VOID.

400 (I) Brokers and licensees are not responsible for unpaid deposits.

401 25. ARBITRATION OF DISPUTES (1-00)

402 Buyer and Seller agree to arbitrate any dispute between them that cannot be amicably resolved. After written demand for arbitration
403 by either Buyer or Seller, each party will select a competent and disinterested arbitrator. The two so selected will select a third. If selec-
404 tion of the third arbitrator cannot be agreed upon within 30 days, either party may request that selection be made by a judge of a court
405 of record in the county in which arbitration is pending. Each party will pay its chosen arbitrator, and bear equally expenses for the
406 third and all other expenses of arbitration. Arbitration will be conducted in accordance with the provisions of Pennsylvania Common
407 Law Arbitration 42 Pa. C.S.A. §7341 et seq. This agreement to arbitrate disputes arising from this Agreement will survive settlement.

408 26. RELEASE (9-05)

409 Buyer releases, quit claims and forever discharges SELLER, ALL BROKERS, their LICENSEES, EMPLOYEES and any
410 OFFICER or PARTNER of any one of them and any other PERSON, FIRM or CORPORATION who may be liable by or
411 through them, from any and all claims, losses or demands, including, but not limited to, personal injury and property damage and
412 all of the consequences thereof, whether known or not, which may arise from the presence of termites or other wood-boring insects,
413 radon, lead-based paint hazards, mold, fungi or indoor air quality, environmental hazards, any defects in the individual on-lot sewage
414 disposal system or deficiencies in the on-site water service system, or any defects or conditions on the Property. Should Seller be in
415 default under the terms of this Agreement or in violation of any Seller disclosure law or regulation, this release does not deprive Buyer
416 of any right to pursue any remedies that may be available under law or equity. This release will survive settlement.

417 27. REAL ESTATE RECOVERY FUND (9-05)

418 A Real Estate Recovery Fund exists to reimburse any persons who have obtained a final civil judgment against a Pennsylvania real
419 estate licensee (or a licensee's affiliates) owing to fraud, misrepresentation, or deceit in a real estate transaction and who have been
420 unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-
421 3658 or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).

422 28. COMMUNICATIONS WITH BUYER AND/OR SELLER (6-13)

423 Wherever this Agreement contains a provision that requires or allows communication/delivery to a Buyer, that provision shall be sat-
424 isfied by communication/delivery to the Broker for Buyer, if any, except where required by law. If there is no Broker for Buyer, those
425 provisions may be satisfied only by communication/delivery being made directly to the Buyer, unless otherwise agreed to by the par-
426 ties. Wherever this Agreement contains a provision that requires or allows communication/delivery to a Seller, that provision shall be
427 satisfied by communication/delivery to the Broker for Seller, if any. If there is no Broker for Seller, those provisions may be satisfied
428 only by communication/delivery being made directly to the Seller, unless otherwise agreed to by the parties.

429 29. NOTICE BEFORE SIGNING (4-14)

430 Unless otherwise stated in writing, Buyer and Seller acknowledge that Brokers are not experts in legal or tax matters and that Brokers
431 have not made, nor will they make, any representations or warranties nor conduct research of the legal or tax ramifications of this
432 Agreement. Buyer and Seller acknowledge that Brokers have advised them to consult and retain experts concerning the legal and tax
433 effects of this Agreement and the completion of the sale, as well as the condition and/or legality of the Property, including, but not
434 limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Buyer and Seller acknowledge
435 receipt of a copy of this Agreement at the time of signing. This Agreement may be executed in one or more counterparts, each of
436 which shall be deemed to be an original and which counterparts together shall constitute one and the same Agreement of the Parties.
437 WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT. Return of this Agreement, and any addenda and amend-
438 ments, including return by electronic transmission, bearing the signatures of all parties, constitutes acceptance by the parties.

439 30. SPECIAL CLAUSES (4-14)

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

- 441 Appraisal Contingency Addendum to Agreement of Sale (PAR Form ACA)
- 442 Short Sale Addendum to Agreement of Sale (PAR Form SHS)
- 443 Zoning Change Addendum to Agreement of Sale (PAR Form ZCA)
- 444 _____
- 445 _____
- 446 _____

447 Buyer Initials: JF / _____

Seller Initials: _____ / *JM*

448 (B) Additional Terms:

449
450 Purchase of the property is contingent upon the successful application and procurement of a
451 Pennsylvania marijuana production and processing license. It is expected that the State of
452 Pennsylvania will award licenses within 60-90 days off the March 20, 2017, application deadline,
453 but should the application process stretch beyond the Settlement Date, Seller will grant
454 reasonable additional time for the State to award licenses. The Seller acknowledges that the
455 Buyer is expending a significant amount of money and capital to make such marijuana production
456 and processing application to the State of Pennsylvania and the Seller agreeing to consent to
457 reasonable additional time to complete Settlement is a material term of this agreement, and that
458 the Buyer would not have entered into this agreement and expended such amounts on the application
459 without such commitment.

460
461
462
463
464 JF / _____ Buyer has received the Consumer Notice, where applicable, as adopted by the State Real Estate Commission at 49 Pa.
465 Code §35.336.

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

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

469 BUYER Jim Frazier DATE 03/02/2017
470 NH Medicinals (Minnesota) Inc
471 Mailing Address 100 South 1st St, Suite 1075, Minneapolis, MN 55402
472 Phone(s) (321) 576-7171 Fax _____ Email jfrazier@nutritionalhigh.com

473 BUYER _____ DATE _____
474 Mailing Address _____
475 Phone(s) _____ Fax _____ Email _____

476 BUYER _____ DATE _____
477 Mailing Address _____
478 Phone(s) _____ Fax _____ Email _____

479 AUTHORIZED REPRESENTATIVE Jim Frazier
480 Title CEO
481 COMPANY NH Medicinals (Minnesota) Inc

482 Seller has received the Consumer Notice, where applicable, as adopted by the State Real Estate Commission at 49 Pa. Code § 35.336.
483 Seller has received a statement of Seller's estimated closing costs before signing this Agreement.

484 VOLUNTARY TRANSFER OF CORPORATE ASSETS (if applicable): The undersigned acknowledges that he/she is authorized by
485 the Board of Directors to sign this Agreement on behalf of the Seller corporation and that this sale does not constitute a sale, lease, or
486 exchange of all or substantially all the property and assets of the corporation, such as would require the authorization or consent of the
shareholders pursuant to 15 P.S. §1311.

487 SELLER John Medas DATE 3-3-17
488 Adamsville Properties, LLC
489 Mailing Address Po Box 360247, Strongsville, OH 44136
Phone(s) _____ Fax _____ Email _____

490 SELLER _____ DATE _____
491 Mailing Address _____
492 Phone(s) _____ Fax _____ Email _____

493 SELLER _____ DATE _____
494 Mailing Address _____
495 Phone(s) _____ Fax _____ Email _____

496 AUTHORIZED REPRESENTATIVE John Medas
497 Title President
498 COMPANY Adamsville Properties LLC

ADDENDUM 1

Addendum to contract dated February 28, 2017 between:
Adamsville Properties, LLC (Sellers) and
NH Medicinals (Minnesota) Inc (Buyers) on property located
at 3982 Main St, Adamsville, PA 16110

In consideration of full price cash sale, seller will leave the overhead crane system currently affixed in the building.

Seller, at seller's expense shall remove the ^{80 *cm*} ~~X~~ton press, security safe, and shelving units that currently remain in the building. other personal property ^{*cm*}

JF

Initials: JF / _____

Initials: _____ / *Jm*

ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

ASA

1 PROPERTY 3982 Main Street
 2 Adamsville, PA 16110
 3 SELLER ADAMSVILLE PROPERTIES LLC
 4 BUYER NH MEDICINALS (Minnesota) Inc
 5 DATE OF AGREEMENT March 2, 2017
 6

7 The Purchaser expressly acknowledges that this Agreement of Sale is subject to the
 8 bankruptcy court approval in the case of In re ADAMSVILLE PROPERTIES, LLC, Bankruptcy
 10 Case No. 16-10923 TPA, pending before the United States Bankruptcy Court for the Western
 11 District of Pennsylvania (the "Order"). This Agreement is not binding and shall be of no
 12 force or effect unless and until the Order has become final and nonappealable approving
 13 this Agreement in its totality without any changes or alterations.
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37 All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.

38
 39 WITNESS _____ BUYER Jim Frazier DATE 03-13-2017
 40 NH MEDICINALS (Minnesota) Inc

41
 42 WITNESS _____ BUYER _____ DATE _____
 43

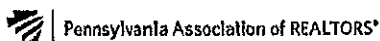
44
 45 WITNESS _____ BUYER _____ DATE _____
 46

47
 48 WITNESS _____ SELLER John Medas DATE 3-13-17
 49 ADAMSVILLE PROPERTIES LLC

50
 51 WITNESS _____ SELLER _____ DATE _____
 52

53
 54 WITNESS _____ SELLER _____ DATE _____
 55

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