

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF  
PENNSYLVANIA

In re : Chapter 11  
THE LEGAL COVERAGE GROUP LTD., :  
Debtor : Bankruptcy No. 18-10494

**BIDDING PROCEDURES ORDER**  
**FOR THE SALE OF 101 WALNUT STREET,**  
**UNIT 8, PHILADELPHIA PA 19103**

AND NOW, this 7<sup>th</sup> day of June, 2018, upon consideration of the Order dated May 21, 2018 in response to the Chapter 11 Trustee's Motion to Authorize Trustee to Enter Into Agreement of Sale and Approve Sale Procedures, pursuant to 11 U.S.C. §§ 105(a) and 363(b)(1), (i)(a) ("Motion")<sup>1</sup>, and in accordance with the record at the hearing on the Motion, it is hereby ORDERED that:

1. The following bidding procedures are approved:
  - a. **Assets.** 101 Walnut Street, Unit 8, Philadelphia, PA 19103 plus one separately deeded parking space (the "Property"). The Property is partially furnished and a Qualified Bidder (defined below) may submit a bid for some or all of the furnishings in the Property. The Property is presently occupied by Mr. Jon Liss ("Liss") pursuant to an alleged oral lease that expires on February 28, 2019 (the "Lease").<sup>2</sup> The Trustee is presently holding a security deposit of \$3,000 in connection with the Lease (the "Security Deposit").
  - b. **Provisions Governing Qualifications of Bidders and Bids.** All bids must be

<sup>1</sup> Unless otherwise defined herein, capitalized terms shall have the meanings ascribed thereto in the Motion.

<sup>2</sup> This Order is not intended to be a complete recital of the terms of the Lease.

submitted to Leslie Beth Baskin, Esquire, Chapter 11 Trustee, on or before **5:00 (prevailing Eastern Time) on June 18, 2018** (the “Bid Deadline”). Only Qualified Bids will be considered. A Qualified Bid must be submitted by a Qualified Bidder who submits:

**A letter, executed by such bidder:**

- (1) Setting forth (i) the net cash purchase price, which net cash amount must reflect a value to be delivered to the Trustee at closing equal to or greater than \$965,000.00; (ii) stating that the bid submitted by such bidder is irrevocable until the conclusion of the Sale Hearing (as defined below), subject to the requirements set forth below relating to any Back-up Bidder (as defined below); (iii) stating that such bidder acknowledges that Liss claims that the Lease is valid and enforceable and that such bidder is prepared to either (A) negotiate with Liss over a New Lease (defined below) pursuant to the procedure set forth below or (B) elect the Lease Termination Option (defined below); (iv) listing the furnishings, if any, such bidder wishes to acquire in connection with its bid; (v) stating that such bid has been duly authorized, executed, and delivered by such bidder and that no further internal or equity holder approvals are required with respect to any such agreement or matter; (vi) containing a commitment to close as early as sixty (60) days after the entry by the Bankruptcy Court of an order authorizing the sale (the “Sale Order”); and (vii) except as set forth herein, confirming that the bid submitted by such

bidder is not conditioned on receipt of any financing, or the outcome of any due diligence investigation;

- (2) Enclosing a clean purchase agreement, duly authorized, executed, and delivered by such bidder, for the Property consistent in all material respects with the foregoing and containing substantially the same terms as the Matthew West Agreement of Sale (the "West Bid") a copy of which is attached hereto as Exhibit "A", together with such additional terms as are required herein, including whether such bidder intends to negotiate with Liss over a New Lease (defined below) pursuant to the procedure set forth below or elect the Lease Termination Option (defined below) and any terms more favorable to the Debtor than the terms set forth in the West Bid (a "Modified Purchase Agreement") and a marked Modified Purchase Agreement reflecting the variations from the West Bid;
- (3) To the extent that the bidder proposes to pay for the Property in whole or in part, from cash on hand, (i) recent financial information, satisfactory to the Trustee showing such bidder's ability to pay the cash portion of the purchase price, (ii) to the extent that such bidder is proposing to pay with funds from any third-party financing source, copies of written and legally binding firm commitments to provide such financing (including, without limitation, under any existing credit facility) executed by all parties thereto, in each case,



satisfactory to the Trustee and, except as set forth herein, containing no material conditions to the closing and funding of such financing other than entry of the Sale Order, and (iii) a combination of the materials and information described in this clause (b) above, satisfactory to the Trustee;

- (4) a cash deposit in the amount equal to \$25,000;
- (5) for all purposes of the Bidding Procedures, notwithstanding anything to the contrary set forth herein, in the event that Liss elects to bid on the Property, (i) any such bid of Liss shall be increased by the amount of the Lease Termination Payment (defined below) to be added as a credit to the purchase price of any such bid submitted by Liss, which will be deemed a Qualified Bid; and (ii) Liss' bid may be contingent on the Trustee conveying good and marketable title to the Property that is insurable by a reputable title company at normal rates, which will be deemed a Qualified Bid;
- (6) for all purposes of the Bidding Procedures, (i) Matthew West will be deemed a Qualified Bidder, (ii) prior to the Auction, West must notify the Trustee that he elects either to negotiate with Liss over a New Lease (defined below) pursuant to the procedure set forth below or elect the Lease Termination Option (defined below) and (iii) the transactions proposed in the West Bid, as modified hereby, will be deemed a Qualified Bid.



- c. **No Competing Qualified Bids.** If no Qualified Bids are submitted by the Bid Deadline, the Trustee shall cancel the Auction and Matthew West shall be deemed to be the Successful Bidder (as defined below).
- d. **New Lease and Lease Termination Option.**
- (1) As used herein, the term "New Lease" shall mean a written lease for the Property between Liss and the Successful Bidder (defined below), which shall include terms and conditions that are mutually acceptable to each of Liss and such Successful Bidder and which shall be negotiated between Liss and such Successful Bidder.
- (2) In the event that the Successful Bidder and Liss are unable to reach mutually acceptable terms regarding a New Lease within fourteen (14) days from the entry of the Sale Order, then (i) the Trustee shall cause the Lease Termination Payment to be paid to Liss in cash at the closing of the sale of the Property, which shall occur no sooner than 60 days from the date of the entry of any Sale Order; (ii) Liss shall vacate the Property on the closing date, leaving the property in broom clean condition; and (iii) the Trustee shall return Liss' security deposit within 15 days of the date on which Liss vacates the Property.
- (3) As used herein, the term "Lease Termination Payment" shall mean a payment of forty thousand dollars (\$40,000.00) to be indefeasibly paid to Liss in cash at the closing of the sale of the Property.
- (4) As used herein, the term "Lease Termination Option" shall mean an election by a Qualified Bidder to not enter into negotiations with Liss over

a New Lease. In the event that a Successful Bidder has elected the Lease Termination Option, (i) the Trustee shall cause the Lease Termination Payment to be paid to Liss in cash at the closing of any sale of the Property, which closing shall occur no sooner than 60 days from the date of the entry of any Sale Order; (ii) Liss shall vacate the Property on the closing date, leaving the property in broom clean condition; and (iii) the Trustee shall return Liss' security deposit within 15 days of the date on which Liss vacates the Property in the required condition without damage.

- e. **Auction.** If, by the Bid Deadline, the Trustee has received (a) at least one Qualified Bid (in addition to the Qualified Bid from Matthew West), the Trustee will conduct an Auction on June 19, 2018 starting at 10:00 a.m. (Eastern Time) at the offices of Spector Gadon & Rosen, PC, 1635 Market Street, 7th FL, Philadelphia, PA 19103, or at such other place, date, and time as the Trustee may designate in writing. If the place, date, or time of the Auction changes, or if the Auction is cancelled, then the Trustee will file a notice with the Court of any such change or cancellation. Only parties and their advisors that have submitted or been deemed to have submitted a Qualified Bid, will be permitted to participate as or with a bidder at the Auction.

The Auction shall be governed by the following procedures:

- (1) only Qualified Bidders shall be entitled to make any subsequent bids at the Auction;
- (2) each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding, the sale, or the bidding

process;

- (3) the Qualified Bidders shall appear at the Auction in person or through a duly authorized representative unless the Trustee otherwise agrees;
- (4) prior to the Auction, the Trustee shall designate and provide copies of the highest and best Qualified Bid(s) which are subject to the Auction (the "Starting Bid(s)") to all Qualified Bidders that have informed the Trustee of their intent to participate in the Auction;
- (5) Qualified Bidders may then submit successive bids, with the value to the Debtor, as determined by the Trustee in its reasonable business judgment of at least the applicable Starting Bid plus \$25,000 and then continue in minimum increments of at least \$25,000 higher than the value to the Debtor of the previous bid; provided, that the Trustee will retain the right to modify the bid increment requirements (other than the initial bid increment of \$25,000) at the Auction;
- (6) except as expressly stated herein, the Auction will be conducted in a manner as determined by the Trustee;
- (7) all Qualified Bidders shall have the right to submit additional bids and make additional modifications to their respective Qualified Bids at the Auction; provided, that any such modifications, on an aggregate basis and viewed in whole, shall not be less favorable to the Debtor than any prior bid by such party or the preceding bid, as determined by the Trustee; provided, further, that such additional bids must comply with all of the conditions for a Qualified Bid set forth above;



(8) the Trustee shall have the right to request any additional financial information that will allow the Trustee to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by any Qualified Bid, as amended during the Auction process, and any further information that Trustee believes is reasonably necessary to clarify and evaluate the terms of a Qualified Bidder's bid; and

(9) the Trustee shall announce the material terms of each Qualified Bidder's bid and the basis for calculating, and the total consideration offered in, each such bid.

f. **Successful Bid: Back-Up Bid.** Upon completion of the foregoing steps in the Auction, if not cancelled, or as soon thereafter as practicable, the Trustee will: (i) review each Qualified Bid, and consider each Qualified Bid, in each case as updated through the conclusion of the Auction, on the basis of, among other considerations, the same considerations used by the Trustee in determining the highest and best offer(s) during the Auction, and (ii) identify the highest or otherwise best Qualified Bid received at the Auction (the "Successful Bid" and the party making such bid(s), the "Successful Bidder"), as well as identifying the Back-up Bidder(s) if any. The Auction will be deemed concluded upon the determination of the Successful Bid, the Successful Bidder and the Back-up Bidder(s). The concluding date and time of the Auction, if held, shall be stated on the record. Upon designation as such, the Successful Bidder shall have such rights and responsibilities as set forth in the applicable purchase agreement for

such Successful Bidder as agreed at the Auction. Within two (2) calendar days following the conclusion of the Auction, if not cancelled, or the Bid Deadline, if the Auction is cancelled, the Successful Bidder shall complete and execute all agreements, contracts, instruments, or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made. The results at the close of the Auction shall be final and no additional bids will be accepted after the close of the Auction.

- g. **Return of Deposits.** Except as otherwise provided in the Bidding Procedures and under any asset purchase agreement relating to a Qualified Bid(s) accepted by the Trustee in accordance with these Bidding Procedures, all deposits shall be returned to each bidder not selected by the Trustee in accordance with the above procedures as the Successful Bidder or the Back-up Bidder by no later than the fifth business day after the conclusion of the Auction; provided, however, that the interest, if any, on such deposit may not be returned until the second business day of the month following such conclusion; and further provided, however, the Deposit paid by Matthew West, shall be returned to it pursuant to the terms of the West Bid. The deposit of the Back-up Bidder shall be held by the Trustee until 24 hours after the earlier of the applicable outside closing date or the date on which the sale is consummated with the Back-up Bidder upon its designation as the new Successful Bidder.

2. Within two (2) business days after entry of this Order, the Trustee shall serve a copy of this Order on all parties in interest through the Court's electronic filing system and in conformity with Local Bankruptcy Form 9014-3 on all other parties in



interest, including all creditors, by regular mail.

3. Within one (1) business day after the conclusion of the Auction, the Trustee shall cause its counsel to file with the Court a supplement outlining the identity of the Successful Bidder and the purchase price received for the auctioned Property.

4. The Trustee is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 6006, 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable.

6. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

7. If the Court approves a sale, all liens and claims against the Property, if any, shall be paid by the Trustee from the sale proceeds at closing. Neither the sale proposed by the Motion nor the entry of any Sale Order shall in any way prejudice or impair any claims or legal or equitable rights or remedies held by Prudential or any other creditor or party in interest relating to the assets or the proceeds, including, without limitation, claims and remedies of equitable trust, equitable lien, unjust enrichment, and all other equitable or legal remedies and claims, all of which are expressly reserved, and shall be preserved to the fullest extent, as if the sale had not occurred. While Liss' claim to the Lease is acknowledged as set forth herein, if the court does not approve a sale of the Property or the transactions contemplated in the Motion are otherwise not consummated, then, on the one hand, the Trustee shall retain all applicable rights to argue that the Lease is not valid and unenforceable, and on the other hand, Liss shall



retain all applicable rights to argue that the Lease is valid and enforceable.

8. If the Court approves a sale , then prior to the closing, the Trustee shall request a resale certificate from 101 Walnut Condominium Association (the “Association”) stating the amount of condominium assessments due for the Property (“Assessments”) and shall cause all Assessments due as of the date of the closing to be paid to the Association from the proceeds at closing.

9. This Court shall retain jurisdiction to resolve any dispute relating to the interpretation of the Bid Procedures and this Order. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order shall control.



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Honorable Jean K. FitzSimon  
United States Bankruptcy Judge

Daniel J. Dugan, Esquire  
1635 Market Street, 7th Floor  
Philadelphia, PA 19103  
215.241.8872 / 215.531.9120 (fax)  
*Attorney for Chapter 11 Trustee*

Exhibit “A”

WEST Bid



Case 18-10494-jkf Doc 259-1 Filed 05/07/18 Entered 05/07/18 11:19:23 Desc Exhibit Page 6 of 21

# STANDARD AGREEMENT FOR THE SALE OF REAL ESTATE

ASR

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>MATTHEW WEST OR ASSIGNEES</u>	SELLER(S): <u>101 WALNUT STREET ASSOCIATES LP, LESLIE BASKIN TRUSTEE</u>
BUYER'S MAILING ADDRESS:	SELLER'S MAILING ADDRESS:
	<u>SPECTOR, GADON &amp; ROSEN P.C.</u>
	<u>1635 MARKET ST, 7TH FLOOR</u>
	<u>PHILADELPHIA, PA 19103</u>

PROPERTY	
ADDRESS (including postal city) <u>101 WALNUT ST, UNIT #8, PARKING SPACE #P7 &amp; STORAGE ROOM. UNIT &amp; PARKING SPACE TO BE CONVEYED BY SELLER VIA SEPARATE DEEDS.</u> ZIP <u>19106</u>	
in the municipality of <u>PHILADELPHIA</u> , County of <u>PHILADELPHIA</u>	
In the School District of <u>PHILADELPHIA</u> , In the Commonwealth of Pennsylvania.	
Tax ID #(s): _____ and/or	
Identification (e.g., Parcel #; Lot, Block; Deed Book, Page, Recording Date): _____	

BUYER'S RELATIONSHIP WITH PA LICENSED BROKER	
<input type="checkbox"/> No Business Relationship (Buyer is not represented by a broker)	
Broker (Company) <u>STAR REAL ESTATE GROUP</u>	Licensee(s) (Name) <u>RICHARD ASTRELLA - BROKER</u>
Company License # <u>RB065567</u>	State License # _____
Company Address <u>1500 WALNUT ST, SUITE 1103, PHILADELPHIA, PA 19102</u>	Direct Phone(s) _____
Company Phone _____	Cell Phone(s) <u>(267) 241-1246</u>
Company Fax _____	Email <u>RICH@STARREALESTATEGROUP.NET</u>
Broker is (check only one):	Licensee(s) is (check only one):
<input checked="" type="checkbox"/> Buyer Agent (Broker represents Buyer only)	<input type="checkbox"/> Buyer Agent (all company licensees represent Buyer)
<input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	<input type="checkbox"/> Buyer Agent with Designated Agency (only Licensee(s) named above represent Buyer)
	<input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
<input checked="" 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 checked="" type="checkbox"/> No Business Relationship (Seller is not represented by a broker)	
Broker (Company) _____	Licensee(s) (Name) _____
Company License # _____	State License # _____
Company Address _____	Direct Phone(s) _____
Company Phone _____	Cell Phone(s) _____
Company Fax _____	Email _____
Broker is (check only one):	Licensee(s) is (check only one):
<input type="checkbox"/> Seller Agent (Broker represents Seller only)	<input type="checkbox"/> Seller Agent (all company licensees represent Seller)
<input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	<input type="checkbox"/> Seller Agent with Designated Agency (only Licensee(s) named above represent Seller)
	<input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
<input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Seller)	

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

Buyer Initials: MW / \_\_\_\_\_

ASR Page 1 of 13

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



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rev. 6/17; rel. 7/17

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101 Walnut Unit #



1. **By this Agreement**, dated **April 28, 2018**

Seller hereby agrees to sell and convey to Buyer, who agrees to purchase, the Identified Property.

2. **PURCHASE PRICE AND DEPOSITS (4-14)**

(A) Purchase Price **\$940,000.00**

( **Nine Hundred Forty Thousand**

U.S. Dollars), to be paid by Buyer as follows:

1. Initial Deposit, within 5 days (5 if not specified) of Execution Date, if not included with this Agreement:

\$ **25,000.00**

2. Additional Deposit within \_\_\_\_\_ days of the Execution Date:

\$ \_\_\_\_\_

3. \_\_\_\_\_

\$ \_\_\_\_\_

Remaining balance will be paid at settlement.

(B) All funds paid by Buyer, including deposits, will be paid by check, cashier's check or wired funds. All funds paid by Buyer within 30 days of settlement, including funds paid at settlement, will be by cashier's check or wired funds, but not by personal check.

(C) Deposits, regardless of the form of payment, will be paid in U.S. Dollars to Broker for Seller (unless otherwise stated here: **TITLE COMPANY OF BUYER'S CHOICE**).

who will retain deposits in an escrow account in conformity with all applicable laws and regulations until consummation or termination of this Agreement. Only real estate brokers are required to hold deposits in accordance with the rules and regulations of the State Real Estate Commission. Checks tendered as deposit monies may be held uncashed pending the execution of this Agreement.

3. **SELLER ASSIST (If Applicable) (1-10)**

Seller will pay \$ \_\_\_\_\_ or \_\_\_\_\_ % of Purchase Price (0 if not specified) toward Buyer's costs, as permitted by the mortgage lender, if any. Seller is only obligated to pay up to the amount or percentage which is approved by mortgage lender.

4. **SETTLEMENT AND POSSESSION (4-14)**

(A) Settlement Date is **EIGHT (8) DAYS AFTER BANKRUPTCY COURT APPROVAL**, or before if Buyer and Seller agree.

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

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

(D) For purposes of prorating real estate taxes, the "periods covered" are as follows:

1. Municipal tax bills for all counties and municipalities in Pennsylvania are for the period from January 1 to December 31.

2. School tax bills for the Philadelphia, Pittsburgh and Scranton School Districts are for the period from January 1 to December 31. School tax bills for all other school districts are for the period from July 1 to June 30.

(E) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here:

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

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

(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 assignment of existing leases for the Property, together with security deposits and interest, if any, at day and time of settlement. Seller will not enter into any new leases, nor extend existing leases, for the Property without the written consent of Buyer. Buyer will acknowledge existing lease(s) by initialing the lease(s) at the execution of this Agreement, unless otherwise stated in this Agreement.

☐ Tenant-Occupied Property Addendum (PAR Form TOP) is attached and made part of this Agreement.

5. **DATES/TIME IS OF THE ESSENCE (1-10)**

(A) Written acceptance of all parties will be on or before: **May 3, 2018**

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

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

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

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

63 Buyer Initials: W / \_\_\_\_\_

ASR Page 2 of 13

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

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101 Walnut Unit 8



6. ZONING (4-14)

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.

Zoning Classification, as set forth in the local zoning ordinance: RESIDENTIAL

7. FIXTURES AND PERSONAL PROPERTY (9-16)

(A) INCLUDED in this sale, unless otherwise stated, are all existing items permanently installed in or on the Property, free of liens, and other items including plumbing; heating; gas fireplace logs; radiator covers; lighting fixtures (including chandeliers and ceiling fans); pools, spas and hot tubs (including covers and cleaning equipment); electric animal fencing systems (excluding collars); garage door openers and transmitters; television antennas; mounting brackets and hardware for television and sound equipment; unpotted shrubbery, plantings and trees; smoke detectors and carbon monoxide detectors; sump pumps; storage sheds; fences; mailboxes; wall to wall carpeting; existing window screens, storm windows and screen/storm doors; window covering hardware (including rods and brackets), shades and blinds; awnings; central vacuum system (with attachments); built-in air conditioners; built-in appliances; the range/oven; dishwashers; trash compactors; any remaining heating and cooking fuels stored on the Property at the time of settlement; and, if owned, water treatment systems, propane tanks, satellite dishes and security systems. Unless stated otherwise, the following items are included in the sale, but not in the Purchase Price: SEE ATTACHED ADDENDUM

(B) The following items are LEASED (not owned by Seller). Contact the provider/vendor for more information (e.g., water treatment systems, propane tanks, satellite dishes and security systems):

(C) EXCLUDED fixtures and items:

8. MORTGAGE CONTINGENCY (9-16)

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

☐ ELECTED.

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

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

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

1. If Seller does not receive a copy of the documentation demonstrating lender's conditional or outright approval of Buyer's mortgage application(s) by the date indicated above, Seller may terminate this Agreement by written notice to Buyer. Seller's right to terminate continues until Buyer delivers documentation demonstrating lender's conditional or outright approval of Buyer's mortgage application(s) to Seller. Until Seller terminates this Agreement pursuant to this Paragraph, Buyer must continue to make a good faith effort to obtain mortgage financing.
2. Seller may terminate this Agreement by written notice to Buyer after the date indicated above if the documentation demonstrating lender's conditional or outright approval of Buyer's mortgage application(s):
  - a. Does not satisfy the terms of Paragraph 8(A), OR
  - b. Contains any condition not specified in this Agreement (e.g., Buyer must settle on another property, an appraisal must be received by the lender, or the approval is not valid through the Settlement Date) that is not satisfied and/or removed in writing by the mortgage lender(s) within 7 DAYS after the date indicated in Paragraph 8(B), or any extension thereof, other than those conditions that are customarily satisfied at or near settlement (e.g., obtaining insurance, confirming employment).
3. If this Agreement is terminated pursuant to Paragraphs 8(B)(1) or (2), or the mortgage loan(s) is not obtained for settlement, all deposit monies will be returned to Buyer according to the terms of Paragraph 26 and this Agreement will be VOID. Buyer will be responsible for any costs incurred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and any costs incurred by Buyer for: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation; (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees and charges paid in advance to mortgage lender(s).

128 Buyer Initials:    /   

ASR Page 3 of 13

Seller Initials:    /



- (C) The Loan-To-Value ratio (LTV) is used by lenders as one tool to help assess their potential risk of a mortgage loan. A particular LTV may be necessary to qualify for certain loans, or buyers might be required to pay additional fees if the LTV exceeds a specific level. The appraised value of the Property may be used by lenders to determine the maximum amount of a mortgage loan. The appraised value is determined by an independent appraiser, subject to the mortgage lender's underwriter review, and may be higher or lower than the Purchase Price and/or market price of the property.
- (D) The interest rate(s) and fee(s) provisions in Paragraph 8(A) are satisfied if the mortgage lender(s) gives Buyer the right to guarantee the interest rate(s) and fee(s) at or below the maximum levels stated. If lender(s) gives Buyer the right to lock in the interest rate(s), Buyer will do so at least 15 days before Settlement Date. Buyer gives Seller the right, at Seller's sole option and as permitted by law and the mortgage lender(s), to contribute financially, without promise of reimbursement, to Buyer and/or the mortgage lender(s) to make the above mortgage term(s) available to Buyer.
- (E) Within        days (7 if not specified) from the Execution Date of this Agreement, Buyer will make a completed mortgage application (including payment for and ordering of credit reports without delay) for the mortgage terms and to the mortgage lender(s) identified in Paragraph 8(A), if any, otherwise to a responsible mortgage lender(s) of Buyer's choice. Broker for Buyer, if any, otherwise Broker for Seller, is authorized to communicate with the mortgage lender(s) to assist in the mortgage loan process. Broker for Seller, if any, is permitted to contact the mortgage lender(s) at any time to determine the status of the mortgage loan application.
- (F) Buyer will be in default of this Agreement if Buyer furnishes false information to anyone concerning Buyer's financial and/or employment status, fails to cooperate in good faith with processing the mortgage loan application (including payment for and ordering of appraisal without delay), fails to lock in interest rate(s) as stated in Paragraph 8(D), or otherwise causes the lender to reject, or refuse to approve or issue, a mortgage loan commitment.
- (G) If the mortgage lender(s), or a property and casualty insurer providing insurance required by the mortgage lender(s), requires repairs to the Property, Buyer will, upon receiving the requirements, deliver a copy of the requirements to Seller. Within 5 DAYS of receiving the copy of the requirements, Seller will notify Buyer whether Seller will make the required repairs at Seller's expense.
1. If Seller makes the required repairs to the satisfaction of the mortgage lender and/or insurer, Buyer accepts the Property and agrees to the RELEASE in Paragraph 28 of this Agreement.
  2. If Seller will not make the required repairs, or if Seller fails to respond within the stated time, Buyer will, within 5 DAYS, notify Seller of Buyer's choice to:
    - a. Make the repairs/improvements at Buyer's expense, with permission and access to the Property given by Seller, which will not be unreasonably withheld, OR
    - b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 26 of this Agreement.If Buyer fails to respond within the time stated in Paragraph 8(G)(2) or fails to terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property, make the required repairs/improvements at Buyer's expense and agree to the RELEASE in Paragraph 28 of this Agreement.

**FHA/VA, IF APPLICABLE**

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

**9. CHANGE IN BUYER'S FINANCIAL STATUS (4-14)**

In the event of a change in Buyer's financial status affecting Buyer's ability to purchase, Buyer shall promptly notify Seller and lender(s) to whom the Buyer submitted a mortgage application, if any, in writing. A change in financial status includes, but is not limited to, loss or a change in employment; failure or loss of sale of Buyer's home; Buyer's having incurred a new financial obligation; entry of a judgment against Buyer. Buyer understands that applying for and/or incurring an additional financial obligation may affect Buyer's ability to purchase.

191 Buyer Initials:     /    

ASR Page 4 of 13

Seller Initials:     /    

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101 Walnut Unit 8



10. SELLER REPRESENTATIONS (4-14)

(A) Status of Water

Seller represents that the Property is served by:

☒ Public Water ☐ Community Water ☐ On-site Water ☐ None

(B) Status of Sewer

1. Seller represents that the Property is served by:

☒ Public Sewer ☐ Community Sewage Disposal System ☐ Ten-Acre Permit Exemption (see Sewage Notice 2)  
☐ Individual On-lot Sewage Disposal System (see Sewage Notice 1) ☐ Holding Tank (see Sewage Notice 3)  
☐ Individual On-lot Sewage Disposal System in Proximity to Well (see Sewage Notice 1; see Sewage Notice 4, if applicable)  
☐ None (see Sewage Notice 1) ☐ None Available/Permit Limitations in Effect (see Sewage Notice 5)

2. Notices Pursuant to the Pennsylvania Sewage Facilities Act

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.

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

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

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

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

(C) Historic Preservation

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

(D) Land Use Restrictions

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

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

2. Notices Regarding Land Use Restrictions

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

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

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

256 Buyer Initials: My

ASR Page 5 of 13

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



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

(E) **Real Estate Seller Disclosure Law**

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

(F) **Public and/or Private Assessments**

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

2. Seller knows of no other potential notices (including violations) and/or assessments except as follows: \_\_\_\_\_

(G) **Highway Occupancy Permit**

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

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

If this Agreement is contingent on Buyer's right to inspect and/or repair the Property, or to verify insurability, environmental conditions, boundaries, certifications, zoning classification or use, or any other information regarding the Property, Buyer's failure to exercise any of Buyer's options within the times set forth in this agreement is a Waiver of that contingency and Buyer accepts the Property and agrees to the release in Paragraph 28 of this agreement.

12. **BUYER'S DUE DILIGENCE/INSPECTIONS (9-16)**

(A) **Rights and Responsibilities**

1. Seller will provide access to insurers' representatives and, as may be required by this Agreement or by mortgage lender(s), to surveyors, municipal officials, appraisers and inspectors. All parties and their real estate licensee(s) may attend any inspections.
2. Buyer may make two pre-settlement walk-through inspections of the Property. Buyer's right to these inspections is not waived by any other provision of this Agreement.
3. Seller will have heating and all utilities (including fuel(s)) on for all inspections/appraisals.
4. All inspectors, including home inspectors, are authorized by Buyer to provide a copy of any Inspection Report to Broker for Buyer.
5. Seller has the right, upon request, to receive a free copy of any inspection Report from the party for whom it was prepared. Unless otherwise stated, Seller does not have the right to receive a copy of any lender's appraisal report.

(B) Buyer waives or elects at Buyer's expense to have the following inspections, certifications, and investigations (referred to as "Inspection" or "Inspections") performed by professional contractors, home inspectors, engineers, architects and other properly licensed or otherwise qualified professionals. All inspections shall be non-invasive, unless otherwise agreed in writing. If the same inspector is inspecting more than one system, the inspector must comply with the Home Inspection Law. (See Paragraph 12(D) for Notices Regarding Property and Environmental Inspections)

(C) For elected inspection(s), Buyer will, within the Contingency Period stated in Paragraph 13(A), complete inspections, obtain any Inspection Reports or results (referred to as "Report" or "Reports"), and accept the Property, terminate this Agreement, or submit a written corrective proposal to Seller, according to the terms of Paragraph 13(B).

**Home/Property Inspections and Environmental Hazards (mold, etc.)**

304 305 306 307 308 309 310 311 312 313 314 315	Elected Buyer may conduct an inspection of the Property's structural components; roof; exterior windows and exterior doors; exterior building material, fascia, gutters and downspouts; swimming pools, hot tubs and spas; appliances; electrical systems; interior and exterior plumbing; public sewer systems; heating and cooling systems; water penetration; electromagnetic fields; wetlands and flood plain delineation; structure square footage; mold and other environmental hazards (e.g., fungi, indoor air quality, asbestos, underground storage tanks, etc.); and any other items Buyer may select. If Buyer elects to have a home inspection of the Property, as defined in the Home Inspection Law, the home inspection must be performed by a full member in good standing of a national home inspection association, or a person supervised by a full member of a national home inspection association, in accordance with the ethical standards and code of conduct or practice of that association, or by a properly licensed or registered engineer or architect. (See Notices Regarding Property & Environmental Inspections)	Waived _____/_____ _____/_____ _____/_____ _____/_____ _____/_____ _____/_____ _____/_____ _____/_____ _____/_____ _____/_____ _____/_____
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**Wood Infestation**

316 317 318 319 320	Elected Buyer may obtain a written "Wood-Destroying Insect Infestation Inspection Report" from an Inspector certified as a wood-destroying pest pesticide applicator and will deliver it and all supporting documents and drawings provided by the inspector to Seller. The Report is to be made satisfactory to and in compliance with applicable laws, mortgage lender requirements, and/or Federal Insuring and Guaranteeing Agency requirements. The Inspection is to be limited to all readily-visible and accessible areas of all structures on the Property, except fences. If the Inspection reveals	Waived _____/_____ _____/_____ _____/_____ _____/_____
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321 Buyer Initials: W / \_\_\_\_\_

ASR Page 6 of 13

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



active infestation(s), Buyer, at Buyer's expense, may obtain a Proposal from a wood-destroying pests pesticide applicator to treat the Property. If the Inspection reveals damage from active or previous infestation(s), Buyer may obtain a written Report from a professional contractor, home inspector or structural engineer that is limited to structural damage to the Property caused by wood-destroying organisms and a Proposal to repair the Property.

**Deeds, Restrictions and Zoning**

Buyer may investigate easements, deed and use restrictions (including any historic preservation restrictions or ordinances) that apply to the Property and review local zoning ordinances. Buyer may verify that the present use of the Property (such as in-law quarters, apartments, home office, day care, commercial or recreational vehicle parking) is permitted and may elect to make the Agreement contingent upon an anticipated use. Present use: \_\_\_\_\_

**Water Service**

Buyer may obtain an Inspection of the quality and quantity of the water system from a properly licensed or otherwise qualified water/well testing company. If and as required by the inspection company, Seller, at Seller's expense, will locate and provide access to the on-site (or individual) water system. Seller will restore the Property to its previous condition, at Seller's expense, prior to settlement.

**Radon**

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

**On-lot Sewage (If Applicable)**

Buyer may obtain an Inspection of the individual on-lot sewage disposal system from a qualified, professional inspector. If and as required by the inspection company, Seller, at Seller's expense, will locate, provide access to, and empty the individual on-lot sewage disposal system. Seller will restore the Property to its previous condition, at Seller's expense, prior to settlement. See Paragraph 13(C) for more information regarding the Individual On-lot Sewage Inspection Contingency.

**Property and Flood Insurance**

Buyer may determine the insurability of the Property by making application for property and casualty insurance for the Property to a responsible insurer. Broker for Buyer, if any, otherwise Broker for Seller, may communicate with the insurer to assist in the insurance process. If the Property is located in a specially-designated flood zone, Buyer may be required to carry flood insurance at Buyer's expense, which may need to be ordered 14 days or more prior to Settlement Date. Revised flood maps and changes to Federal law may substantially increase future flood insurance premiums or require insurance for formerly exempt properties. Buyer should consult with one or more flood insurance agents regarding the need for flood insurance and possible premium increases.

**Property Boundaries**

Buyer may engage the services of a surveyor, title abstractor, or other qualified professional to assess the legal description, certainty and location of boundaries and/or quantum of land. Most sellers have not had the Property surveyed as it is not a requirement of property transfer in Pennsylvania. Any fences, hedges, walls and other natural or constructed barriers may or may not represent the true boundary lines of the Property. Any numerical representations of size of property are approximations only and may be inaccurate.

**Lead-Based Paint Hazards (For Properties built prior to 1978 only)**

Before Buyer is obligated to purchase a residential dwelling built prior to 1978, Buyer has the option to conduct a risk assessment and/or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards. Regardless of whether this inspection is elected or waived, the Residential Lead-Based Paint Hazard Reduction Act requires a seller of property built prior to 1978 to provide the Buyer with an EPA-approved lead hazards information pamphlet titled "Protect Your Family from Lead in Your Home," along with a separate form, attached to this Agreement, disclosing Seller's knowledge of lead-based paint hazards and any lead-based paint records regarding the Property.

**Other**

Elected

Waived

/

/

The Inspections elected above do not apply to the following existing conditions and/or items: \_\_\_\_\_

**(D) Notices Regarding Property & Environmental Inspections**

1. **Exterior Building Materials:** Poor or improper installation of exterior building materials may result in moisture penetrating the surface of a structure where it may cause mold and damage to the building's frame.

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

ASR Page 7 of 13

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

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101 Walnut Unit 8



- 387 2. **Asbestos:** Asbestos is linked with several adverse health effects, including various forms of cancer.
- 388 3. **Environmental Hazards:** The U.S. Environmental Protection Agency has a list of hazardous substances, the use and disposal
- 389 of which are restricted by law. Generally, if hazardous substances are found on a property, it is the property owner's responsi-
- 390 bility to dispose of them properly.
- 391 4. **Wetlands:** Wetlands are protected by the federal and state governments. Buyer may wish to hire an environmental engineer to
- 392 investigate whether the Property is located in a wetlands area to determine if permits for plans to build, improve or develop the
- 393 property would be affected or denied because of its location in a wetlands area.
- 394 5. **Mold, Fungi and Indoor Air Quality:** Indoor mold contamination and the inhalation of bioaerosols (bacteria, mold spores,
- 395 pollen and viruses) have been associated with allergic responses.
- 396 6. **Additional Information:** Inquiries or requests for more information about asbestos and other hazardous substances can be
- 397 directed to the U.S. Environmental Protection Agency, Ariel Rios Building, 1200 Pennsylvania Ave., N.W., Washington, D.C.
- 398 20460, (202) 272-0167, and/or the Department of Health, Commonwealth of Pennsylvania, Division of Environmental Health,
- 399 Harrisburg, PA 17120. Information about indoor air quality issues is available through the Pennsylvania Department of Health
- 400 and may be obtained by contacting Health & Welfare Building, 8th Floor West, 625 Forster St., Harrisburg, PA 17120, or by
- 401 calling 1-877-724-3258.
- 402 **13. INSPECTION CONTINGENCY (4-14)** BANKRUPTCY COURT APPROVAL <sup>14</sup>
- 403 (A) The Contingency Period is 5 days (10 if not specified) from the Execution Date of this Agreement for each Inspection elected
- 404 in Paragraph 12(C).
- 405 (B) Except as stated in Paragraph 13(C), if the result of any Inspection elected in Paragraph 12(C) is unsatisfactory to Buyer, Buyer
- 406 will, within the stated Contingency Period:
- 407 1. Accept the Property with the information stated in the Report(s) and agree to the RELEASE in Paragraph 28 of this Agreement, OR
- 408 2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
- 409 Paragraph 26 of this Agreement, OR
- 410 3. Present the Report(s) to Seller with a Written Corrective Proposal ("Proposal") listing corrections and/or credits desired by Buyer.
- 411 The Proposal may, but is not required to, include the name(s) of a properly licensed or qualified professional(s) to perform the cor-
- 412 rections requested in the Proposal, provisions for payment, including retests, and a projected date for completion of the corrections.
- 413 Buyer agrees that Seller will not be held liable for corrections that do not comply with mortgage lender or governmental require-
- 414 ments if performed in a workmanlike manner according to the terms of Buyer's Proposal.
- 415 a. Following the end of the Contingency Period, Buyer and Seller will have \_\_\_\_\_ days (5 if not specified) for a Negotiation
- 416 Period.
- 417 (1) During the Negotiation Period, Seller will either agree to satisfy all the terms of Buyer's Proposal or negotiate, by written
- 418 or verbal communication, another mutually acceptable written agreement, providing for any repairs or improvements to
- 419 the Property and/or any credit to Buyer at settlement, as acceptable to the mortgage lender, if any.
- 420 (2) If Seller agrees to satisfy all the terms of Buyer's Proposal, or Buyer and Seller enter into another mutually acceptable
- 421 written agreement, Buyer accepts the Property and agrees to the RELEASE in Paragraph 28 of this Agreement and the
- 422 Negotiation Period ends.
- 423 b. If no mutually acceptable written agreement is reached, or if Seller fails to respond, during the Negotiation Period, within
- 424 \_\_\_\_\_ days (2 if not specified) following the end of the Negotiation Period, Buyer will:
- 425 (1) Accept the Property with the information stated in the Report(s) and agree to the RELEASE in Paragraph 28 of this
- 426 Agreement, OR
- 427 (2) Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms
- 428 of Paragraph 26 of this Agreement.
- 429 If Buyer and Seller do not reach a mutually acceptable written agreement, and Buyer does not terminate this
- 430 Agreement by written notice to Seller within the time allotted in Paragraph 13(B)(3)(b), Buyer will accept the Property
- 431 and agree to the RELEASE in Paragraph 28 of this Agreement. Ongoing negotiations do not automatically extend the
- 432 Negotiation Period.
- 433 (C) If a Report reveals the need to expand or replace the existing individual on-lot sewage disposal system, Seller may, within \_\_\_\_\_
- 434 days (25 if not specified) of receiving the Report, submit a Proposal to Buyer. The Proposal will include, but not be limited to, the
- 435 name of the company to perform the expansion or replacement; provisions for payment, including retests; and a projected comple-
- 436 tion date for corrective measures. Within 5 DAYS of receiving Seller's Proposal, or if no Proposal is provided within the
- 437 stated time, Buyer will notify Seller in writing of Buyer's choice to:
- 438 1. Agree to the terms of the Proposal, accept the Property and agree to the RELEASE in Paragraph 28 of this Agreement, OR
- 439 2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
- 440 Paragraph 26 of this Agreement, OR
- 441 3. Accept the Property and the existing system and agree to the RELEASE in Paragraph 28 of this Agreement. If required by any mort-
- 442 gage lender and/or any governmental authority, Buyer will correct the defects before settlement or within the time required by the
- 443 mortgage lender and/or governmental authority, at Buyer's sole expense, with permission and access to the Property given by Seller,
- 444 which may not be unreasonably withheld. If Seller denies Buyer permission and/or access to correct the defects, Buyer
- 445 may, within 5 DAYS of Seller's denial, terminate this Agreement by written notice to Seller, with all deposit monies returned
- 446 to Buyer according to the terms of Paragraph 26 of this Agreement.
- 447 If Buyer fails to respond within the time stated in Paragraph 13(C) or fails to terminate this Agreement by written notice to
- 448 Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 28 of this Agreement.
- 449 **14. REAL ESTATE TAXES AND ASSESSED VALUE (4-14)**
- 450 In Pennsylvania, taxing authorities (school districts and municipalities) and property owners may appeal the assessed value of a prop-

451 Buyer Initials: W

ASR Page 8 of 13

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



erty at the time of sale, or at any time thereafter. A successful appeal by a taxing authority may result in a higher assessed value for the property and an increase in property taxes. Also, periodic county-wide property reassessments may change the assessed value of the property and result in a change in property tax.

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

(A) In the event any notices of public and/or private assessments as described in Paragraph 10(F) (excluding assessed value) are received after Seller has signed this Agreement and before settlement, Seller will within 5 DAYS of receiving the notices and/or assessments provide a copy of the notices and/or assessments to Buyer and will notify Buyer in writing that Seller will:

1. Fully comply with the notices and/or assessments, at Seller's expense, before settlement. If Seller fully complies with the notices and/or assessments, Buyer accepts the Property and agrees to the RELEASE in Paragraph 28 of this Agreement, OR
2. Not comply with the notices and/or assessments. If Seller chooses not to comply with the notices and/or assessments, or fails within the stated time to notify Buyer whether Seller will comply, Buyer will notify Seller in writing within 5 DAYS that Buyer will:

- a. Comply with the notices and/or assessments at Buyer's expense, accept the Property, and agree to the RELEASE in Paragraph 28 of this Agreement, OR
- b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 26 of this Agreement.

If Buyer fails to respond within the time stated in Paragraph 15(A)(2) or fails to terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 28 of this Agreement.

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

1. Within 5 DAYS of receiving notice from the municipality that repairs/improvements are required, Seller will deliver a copy of the notice to Buyer and notify Buyer in writing that Seller will:

- a. Make the required repairs/improvements to the satisfaction of the municipality. If Seller makes the required repairs/improvements, Buyer accepts the Property and agrees to the RELEASE in Paragraph 28 of this Agreement, OR
- b. Not make the required repairs/improvements. If Seller chooses not to make the required repairs/improvements, Buyer will notify Seller in writing within 5 DAYS that Buyer will:
  - (1) Make the repairs/improvements at Buyer's expense, with permission and access to the Property given by Seller, which will not be unreasonably withheld, OR
  - (2) Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 26 of this Agreement.

If Buyer fails to respond within the time stated in Paragraph 15(B)(1)(b) or fails to terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 28 of this Agreement, and Buyer accepts the responsibility to perform the repairs/improvements according to the terms of the notice provided by the municipality.

2. If Seller denies Buyer permission to make the required repairs/improvements, or does not provide Buyer access before Settlement Date to make the required repairs/improvements, Buyer may, within 5 DAYS, terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 26 of this Agreement.

3. If repairs/improvements are required and Seller fails to provide a copy of the notice to Buyer as required in this Paragraph, Seller will perform all repairs/improvements as required by the notice at Seller's expense. Paragraph 15(B)(3) will survive settlement.

**16. CONDOMINIUM/PLANNED COMMUNITY (HOMEOWNER ASSOCIATIONS) NOTICE (9-16)**

(A) Property is NOT a Condominium or part of a Planned Community unless checked below.

☒ **CONDOMINIUM.** The Property is a unit of a condominium that is primarily run by a unit owners' association. Section 3407 of the Uniform Condominium Act of Pennsylvania requires Seller to furnish Buyer with a Certificate of Resale and copies of the condominium declaration (other than plats and plans), the bylaws and the rules and regulations of the association.

☐ **PLANNED COMMUNITY (HOMEOWNER ASSOCIATION).** The Property is part of a planned community as defined by the Uniform Planned Community Act. Section 5407(a) of the Act requires Seller to furnish Buyer with a copy of the declaration (other than plats and plans), the bylaws, the rules and regulations of the association, and a Certificate containing the provisions set forth in Section 5407(a) of the Act.

(B) **THE FOLLOWING APPLIES TO INITIAL SALES OF PROPERTIES THAT ARE PART OF A CONDOMINIUM OR A PLANNED COMMUNITY:**

If this is the first sale of the property after creation of the condominium or planned community (therefore a sale by the Declarant), Seller shall furnish Buyer with a Public Offering Statement no later than the date Buyer executes this Agreement. Buyer may void this Agreement within 15 days (if a condominium) or within 7 days (if part of a planned community) after receipt of the Public Offering Statement or any amendment to the Statement that materially and adversely affects Buyer. Upon Buyer declaring this Agreement void, all deposit monies will be returned to Buyer according to the terms of Paragraph 26 of this Agreement.

(C) **THE FOLLOWING APPLIES TO REALES OF PROPERTIES THAT ARE PART OF A CONDOMINIUM OR A PLANNED COMMUNITY:**

1. Within 15 DAYS from the Execution Date of this Agreement, Seller, at Seller's expense, will request from the association a Certificate of Resale and any other documents necessary to enable Seller to comply with the relevant Act. The Act provides that the association is required to provide these documents within 10 days of Seller's request.
2. Seller will promptly deliver to Buyer all documents received from the association. Under the Act, Seller is not liable to Buyer

515 Buyer Initials:                     

ASR Page 9 of 13

Seller Initials:



for the failure of the association to provide the Certificate in a timely manner or for any incorrect information provided by the association in the Certificate.

3. The Act provides that Buyer may declare this Agreement VOID at any time before Buyer receives the association documents and for 5 days after receipt, OR until settlement, whichever occurs first. Buyer's notice to Seller must be in writing; upon Buyer declaring this Agreement void, all deposit monies will be returned to Buyer according to the terms of Paragraph 26 of this Agreement.

4. If the association has the right to buy the Property (right of first refusal), and the association exercises that right, Seller will reimburse Buyer for any costs incurred by Buyer for any inspections or certifications obtained according to the terms of the Agreement, and any costs incurred by Buyer for: (1) Title search, title insurance and/or mechanics' lien insurance; or any fee for cancellation; (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees and charges paid in advance to mortgage lender.

**17. TITLES, SURVEYS AND COSTS (4-14)**

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

(B) Buyer is encouraged to obtain an owner's title insurance policy to protect Buyer. An owner's title insurance policy is different from a lender's title insurance policy, which will not protect Buyer from claims and attacks on the title. Owner's title insurance policies come in standard and enhanced versions; Buyer should consult with a title insurance agent about Buyer's options. Buyer agrees to release and discharge any and all claims and losses against Broker for Buyer should Buyer neglect to obtain an owner's title insurance policy.

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

(D) Seller has the right, upon request, to receive a free copy of any title abstract for the Property from the party for whom it was prepared.

(E) Any survey or surveys required by the title insurance company or the abstracting company for preparing an adequate legal description of the Property (or the correction thereof) will be obtained and paid for by Seller. Any survey or surveys desired by Buyer or required by the mortgage lender will be obtained and paid for by Buyer.

(F) In the event of a change in Seller's financial status affecting Seller's ability to convey title to the Property on or before the Settlement Date, or any extension thereof, Seller shall promptly notify Buyer in writing. A change in financial status includes, but is not limited to, Seller filing bankruptcy; filing of a foreclosure lawsuit against the Property; entry of a monetary judgment against Seller; notice of public tax sale affecting the Property; and Seller learning that the sale price of the Property is no longer sufficient to satisfy all liens and encumbrances against the Property.

(G) If Seller is unable to give good and marketable title that is insurable by a reputable title insurance company at the regular rates, as specified in Paragraph 17(A), Buyer may terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 26 of this Agreement. Upon termination, Seller will reimburse Buyer for any costs incurred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and for those items specified in Paragraph 17(C) items (1), (2), (3) and in Paragraph 17(E).

(H) Oil, gas, mineral, or other rights of this Property may have been previously conveyed or leased, and Sellers make no representation about the status of those rights unless indicated elsewhere in this Agreement.

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

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

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS 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 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. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984.) "Buyer acknowledges that he may not be obtaining the right of protection against subsidence resulting from coal mining operations, and that the property described herein may be protected from damage due to mine subsidence by a private contract with the owners of the economic interests in the coal. This acknowledgement is made for the purpose of complying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of April 27, 1966." Buyer agrees to sign the deed from Seller which deed will contain the aforesaid provision.

(J) The Property is not a "recreational cabin" as defined in the Pennsylvania Construction Code Act unless otherwise stated here:

(K) 1. This property is not subject to a Private Transfer Fee Obligation unless otherwise stated here:

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

2. Notices Regarding Private Transfer Fees: In Pennsylvania, Private Transfer Fees are defined and regulated in the Private 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 is payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, if the obligation to pay the fee or charge runs with title to the property or otherwise binds subsequent owners of property, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price or other consideration given for the transfer." A Private Transfer Fee must be properly recorded to be binding, and sellers must disclose the existence of the fees to prospective buyers. Where a Private Transfer Fee is not properly recorded or disclosed, the Act gives certain rights and protections to buyers.

**18. MAINTENANCE AND RISK OF LOSS (1-14)**

(A) Seller will maintain the Property (including, but not limited to, structures, grounds, fixtures, appliances, and personal property) specifically listed in this Agreement in its present condition, normal wear and tear excepted.

580 Buyer Initials: W / \_\_\_\_\_

ASR Page 10 of 13

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



- (B) If any part of the Property included in the sale fails before settlement, Seller will:
1. Repair or replace that part of the Property before settlement, OR
  2. Provide prompt written notice to Buyer of Seller's decision to:
    - a. Credit Buyer at settlement for the fair market value of the failed part of the Property, as acceptable to the mortgage lender, if any, OR
    - b. Not repair or replace the failed part of the Property, and not credit Buyer at settlement for the fair market value of the failed part of the Property.
  3. If Seller does not repair or replace the failed part of the Property or agree to credit Buyer for its fair market value, or if Seller fails to notify Buyer of Seller's choice, Buyer will notify Seller in writing within 5 DAYS or before Settlement Date, whichever is earlier, that Buyer will:
    - a. Accept the Property and agree to the RELEASE in Paragraph 28 of this Agreement, OR
    - b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 26 of this Agreement.
- If Buyer fails to respond within the time stated in Paragraph 18(B)(3) or fails to terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 28 of this Agreement.

- (C) Seller bears the risk of loss from fire or other casualties until settlement. If any property included in this sale is destroyed and not replaced prior to settlement, Buyer will:
1. Accept the Property in its then current condition together with the proceeds of any insurance recovery obtainable by Seller, OR
  2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 26 of this Agreement.

**19. HOME WARRANTIES (1-10)**

At or before settlement, either party may purchase a home warranty for the Property from a third-party vendor. Buyer and Seller understand that a home warranty for the Property does not alter any disclosure requirements of Seller, will not cover or warrant any pre-existing defects of the Property, and will not alter, waive or extend any provisions of this Agreement regarding inspections or certifications that Buyer has elected or waived as part of this Agreement. Buyer and Seller understand that a broker who recommends a home warranty may have a business relationship with the home warranty company that provides a financial benefit to the broker.

**20. RECORDING (9-05)**

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

**21. ASSIGNMENT (1-10)**

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

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

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

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

**23. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA) (1-17)**

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

**24. NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW) (4-14)**

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

**25. REPRESENTATIONS (1-10)**

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

(B) Unless otherwise stated in this Agreement, Buyer has inspected the Property (including fixtures and any personal property specifically listed herein) before signing this Agreement or has waived the right to do so, and agrees to purchase the Property IN ITS PRESENT CONDITION, subject to inspection contingencies elected in this Agreement. Buyer acknowledges that Brokers, their licensees, employees, officers or partners have not made an independent examination or determination of the structural soundness of the Property, the age or condition of the components, environmental conditions, the permitted uses, nor of conditions existing in the locale where the Property is situated; nor have they made a mechanical inspection of any of the systems contained therein.

646 Buyer Initials: WJ / \_\_\_\_\_

ASR Page 11 of 13

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

101 Walnut Unit 8



- (C) Any repairs required by this Agreement will be completed in a workmanlike manner.
- (D) Broker(s) have provided or may provide services to assist unrepresented parties in complying with this Agreement.
26. **DEFAULT, TERMINATION AND RETURN OF DEPOSITS (4-14)**
- (A) Where Buyer terminates this Agreement pursuant to any right granted by this Agreement, Buyer will be entitled to a return of all deposit monies paid on account of Purchase Price pursuant to the terms of Paragraph 26(B), and this Agreement will be VOID. Termination of this Agreement may occur for other reasons giving rise to claims by Buyer and/or Seller for the deposit monies.
- (B) Regardless of the apparent entitlement to deposit monies, Pennsylvania law does not allow a Broker holding deposit monies to determine who is entitled to the deposit monies when settlement does not occur. Broker can only release the deposit monies:
1. If this Agreement is terminated prior to settlement and there is no dispute over entitlement to the deposit monies. A written agreement signed by both parties is evidence that there is no dispute regarding deposit monies.
  2. If, after Broker has received deposit monies, Broker receives a written agreement that is signed by Buyer and Seller, directing Broker how to distribute some or all of the deposit monies.
  3. According to the terms of a final order of court.
  4. According to the terms of a prior written agreement between Buyer and Seller that directs the Broker how to distribute the deposit monies if there is a dispute between the parties that is not resolved. (See Paragraph 26(C))
- (C) Buyer and Seller agree that if there is a dispute over the entitlement to deposit monies that is unresolved \_\_\_\_\_ days (180 if not specified) after the Settlement Date stated in Paragraph 4(A) (or any written extensions thereof) or following termination of the Agreement, whichever is earlier, then the Broker holding the deposit monies will, within 30 days of receipt of Buyer's written request, distribute the deposit monies to Buyer unless the Broker is in receipt of verifiable written notice that the dispute is the subject of litigation or mediation. If Broker has received verifiable written notice of litigation prior to the receipt of Buyer's request for distribution, Broker will continue to hold the deposit monies until receipt of a written distribution agreement between Buyer and Seller or a final court order. Buyer and Seller are advised to initiate litigation for any portion of the deposit monies prior to any distribution made by Broker pursuant to this paragraph. Buyer and Seller agree that the distribution of deposit monies based upon the passage of time does not legally determine entitlement to deposit monies, and that the parties maintain their legal rights to pursue litigation even after a distribution is made.
- (D) Buyer and Seller agree that a Broker who holds or distributes deposit monies pursuant to the terms of Paragraph 26 or Pennsylvania law will not be liable. Buyer and Seller agree that if any Broker or affiliated licensee is named in litigation regarding deposit monies, the attorneys' fees and costs of the Broker(s) and licensee(s) will be paid by the party naming them in litigation.
- (E) Seller has the option of retaining all sums paid by Buyer, including the deposit monies, should Buyer:
1. Fail to make any additional payments as specified in Paragraph 2, OR
  2. Furnish false or incomplete information to Seller, Broker(s), or any other party identified in this Agreement concerning Buyer's legal or financial status, OR
  3. Violate or fail to fulfill and perform any other terms or conditions of this Agreement.
- (F) Unless otherwise checked in Paragraph 26(G), Seller may elect to retain those sums paid by Buyer, including deposit monies:
1. On account of purchase price, OR
  2. As monies to be applied to Seller's damages, OR
  3. As liquidated damages for such default.
- (G) ☒ **SELLER IS LIMITED TO RETAINING SUMS PAID BY BUYER, INCLUDING DEPOSIT MONIES, AS LIQUIDATED DAMAGES.**
- (H) If Seller retains all sums paid by Buyer, including deposit monies, as liquidated damages pursuant to Paragraph 26(F) or (G), Buyer and Seller are released from further liability or obligation and this Agreement is VOID.
- (I) Brokers and licensees are not responsible for unpaid deposits.
27. **MEDIATION (1-10)**
- Buyer and Seller will submit all disputes or claims that arise from this Agreement, including disputes and claims over deposit monies, to mediation. Mediation will be conducted in accordance with the Rules and Procedures of the Home Sellers/Home Buyers Dispute Resolution System, unless it is not available, in which case Buyer and Seller will mediate according to the terms of the mediation system offered or endorsed by the local Association of Realtors®. Mediation fees, contained in the mediator's fee schedule, will be divided equally among the parties and will be paid before the mediation conference. This mediation process must be concluded before any party to the dispute may initiate legal proceedings in any courtroom, with the exception of filing a summons if it is necessary to stop any statute of limitations from expiring. Any agreement reached through mediation and signed by the parties will be binding. Any agreement to mediate disputes or claims arising from this Agreement will survive settlement.
28. **RELEASE (9-05)**
- Buyer releases, quit claims and forever discharges SELLER, ALL BROKERS, their LICENSEES, EMPLOYEES and any OFFICER or PARTNER of any one of them and any other PERSON, FIRM or CORPORATION who may be liable by or through them, from any and all claims, losses or demands, including, but not limited to, personal injury and property damage and all of the consequences thereof, whether known or not, which may arise from the presence of termites or other wood-boring insects, radon, lead-based paint hazards, mold, fungi or indoor air quality, environmental hazards, any defects in the individual on-lot sewage disposal system or deficiencies in the on-site water service system, or any defects or conditions on the Property. Should Seller be in default under the terms of this Agreement or in violation of any Seller disclosure law or regulation, this release does not deprive Buyer of any right to pursue any remedies that may be available under law or equity. This release will survive settlement.
29. **REAL ESTATE RECOVERY FUND (9-05)**
- A Real Estate Recovery Fund exists to reimburse any persons who have obtained a final civil judgment against a Pennsylvania real estate licensee (or a licensee's affiliates) owing to fraud, misrepresentation, or deceit in a real estate transaction and who have been

711 Buyer Initials:        /       

ASR Page 12 of 13

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Seller Initials:        /       

101 Walnut, Unit 8



712 unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-  
713 3658 or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).

714 30. COMMUNICATIONS WITH BUYER AND/OR SELLER (1-10)

715 (A) If Buyer is obtaining mortgage financing, Buyer shall promptly deliver to Broker for Buyer, if any, a copy of all Loan Estimate(s)  
716 and Closing Disclosure(s) upon receipt.

717 (B) Wherever this Agreement contains a provision that requires or allows communication/delivery to a Buyer, that provision shall be  
718 satisfied by communication/delivery to the Broker for Buyer, if any, except for documents required to be delivered pursuant to  
719 Paragraph 16. If there is no Broker for Buyer, those provisions may be satisfied only by communication/delivery being made  
720 directly to the Buyer, unless otherwise agreed to by the parties. Wherever this Agreement contains a provision that requires or allows  
721 communication/delivery to a Seller, that provision shall be satisfied by communication/delivery to the Broker for Seller, if any. If  
722 there is no Broker for Seller, those provisions may be satisfied only by communication/delivery being made directly to the Seller,  
723 unless otherwise agreed to by the parties.

724 31. HEADINGS (4-14)

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

727 32. SPECIAL CLAUSES (1-10)

728 (A) The following are attached to and made part of this Agreement if checked:

- 729 ☐ Sale & Settlement of Other Property Contingency Addendum (PAR Form SSP)  
730 ☐ Sale & Settlement of Other Property Contingency with Right to Continue Marketing Addendum (PAR Form SSPCM)  
731 ☐ Sale & Settlement of Other Property Contingency with Timed Kickout Addendum (PAR Form SSPTKO)  
732 ☐ Settlement of Other Property Contingency Addendum (PAR Form SOP)  
733 ☐ Appraisal Contingency Addendum (PAR Form ACA)  
734 ☐ Short Sale Addendum (PAR Form SHS)  
735 ☒ ATTACHED ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

736 \_\_\_\_\_  
737 \_\_\_\_\_

738 (B) Additional Terms:  
739 \_\_\_\_\_  
740 \_\_\_\_\_  
741 \_\_\_\_\_  
742 \_\_\_\_\_  
743 \_\_\_\_\_

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

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

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

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

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

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

753 N/A Buyer has received the Deposit Money Notice (for cooperative sales when Broker for Seller is holding deposit money)  
754 before signing this Agreement.

755 N/A Buyer has received the Lead-Based Paint Hazards Disclosure, which is attached to this Agreement of Sale. Buyer has  
756 received the pamphlet Protect Your Family from Lead in Your Home (for properties built prior to 1978).

757 BUYER Matthew West DATE 5-3-18  
MATTHEW WEST OR ASSIGNEES

758 BUYER \_\_\_\_\_ DATE \_\_\_\_\_

759 BUYER \_\_\_\_\_ DATE \_\_\_\_\_

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

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

762 SELLER 101 Walnut Street Associates DATE \_\_\_\_\_  
101 WALNUT STREET ASSOCIATES

763 SELLER LP, LESLIE BASKIN TRUSTEE DATE \_\_\_\_\_  
LP, LESLIE BASKIN TRUSTEE

764 SELLER \_\_\_\_\_ DATE \_\_\_\_\_



ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

ASA

1 PROPERTY 101 WALNUT ST, UNIT 8, P7  
2 PHILADELPHIA, PA 19106  
3 SELLER LESLIE BASKIN, BANKRUPTCY, TRUSTEE FOR THE LEGAL COVERAGE, GROUP, CASE #18-10494  
4 BUYER MATTHEW WEST OR ASSIGNEES  
5 DATE OF AGREEMENT April 28, 2018

8 1) INCLUDED IN THE SALE AT NO ADDITIONAL COST TO BUYER ARE:

11 REFRIGERATOR, GAS RANGE, OVEN, WINE COOLER, WASHER AND DRYER, ALL BLINDS, SHADES AND  
12 WINDOW TREATMENTS IN WORKING CONDITION. ALL FURNITURE, LAMPS, DINING ROOM TABLE, END  
13 TABLES, CHAIRS, AREA RUGS, PAINTINGS/POSTERS, LIGHT FIXTURES AND TELEVISION(S). ANY  
14 OTHER FURNISHINGS WHICH WERE OBSERVED IN THE PROPERTY VISIT OF MONDAY, APRIL 9TH. LIST  
15 TO BE MADE PART OF THIS AGREEMENT OF SALE UPON ACCEPTANCE BY SELLER.

17 A) EXCLUDED FROM THE SALE ARE: TWO (2) AREA RUGS, A CHARLIE CHAPLIN PAINTING AND A  
18 CERAMIC PANDA SCULPTURE.

20 2) SELLER/TENANT SHALL PROVIDE COPIES OF ANY WORK INVOICES SINCE THE PROPERTY WAS  
21 PURCHASED TO BUYER WITHIN (5) DAYS OF EXECUTION OF THE AGREEMENT OF SALE.

23 3) UNIT MUST BE DELIVERED VACANT OF ANY TENANCIES PRIOR TO CLOSING. TRUSTEE WILL FILE A  
24 MOTION TO REJECT THE ORAL LEASE. THIS SALE IS CONTINGENT ON THE LEASE BEING REJECTED BY  
25 THE BANKRUPTCY COURT.

27 4) BUYER SHALL BE RESPONSIBLE FOR ANY REAL ESTATE COMMISSIONS.

29 5) DEBTOR/TENANT SHALL BE HELD RESPONSIBLE FOR ANY DAMAGE DONE TO THE UNIT PRIOR TO  
30 CLOSING.

32 6) SELLER AGREES TO CONVEY AT CLOSING TWO SEPARATE DEEDS: ONE FOR THE UNIT AND ANOTHER  
33 FOR THE PARKING SPACE.

37 All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.

39 WITNESS \_\_\_\_\_ BUYER Matthew West DATE 5-3-18  
40 MATTHEW WEST OR ASSIGNEES

42 WITNESS \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

45 WITNESS \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

48 WITNESS \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_  
49 101 WALNUT STREET ASSOCIATES

51 WITNESS \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_  
52 LP, LESLIE BASKIN TRUSTEE

54 WITNESS \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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101 Walnut\_Unit 8



# **EXHIBIT “C”**



**LONG  
SHORT | ADVISORS**

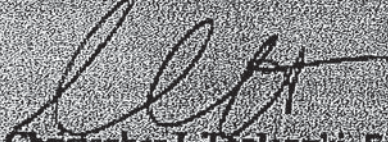
May 2, 2018

To Whom It May Concern,

This letter confirms that Matthew E. West has the availability of funds for the purpose of purchasing a home at 101 Walnut Street. Mr. West has sufficient funds to cover the purchase price of \$940,000 for unit 8.

Should you have further questions or require additional information, please contact me.

Thank you,



Christopher J. Toplewski, Esq.  
Principal & Chief Compliance Officer