

STANDARD AGREEMENT FOR THE SALE OF A MOBILE/MANUFACTURED HOME, REAL PROPERTY NOT INCLUDED

A/S-MH

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

SELLER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER

BROKER (Company) ADDRESS LICENSEE(S) BROKER IS THE AGENT FOR SELLER. OR (if checked below): Broker is NOT the Agent for Seller and is a/an: AGEN T FOR BUYER TRANSACTION LICENSEE

BUYER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER

BROKER (Company) ADDRESS LICENSEE(S) BROKER IS THE AGENT FOR BUYER. OR (if checked below): Broker is NOT the Agent for Buyer and is a/an: AGEN T FOR SELLER SUBAGEN T FOR SELLER TRANSACTION LICENSEE

When the same Broker is Agent for Seller and Agent for Buyer, Broker is a Dual Agent. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agents for Buyer and Seller. If the same Licensee is designated for Seller and Buyer, the Licensee is a Dual Agent.

1. This Agreement, dated SELLER(S): BUYER(S):

2. PROPERTY (12/07) Seller hereby agrees to sell and convey to Buyer, who agrees to purchase the following mobile/manufactured home and accessory structures: Address, including lot number in the of County of in the Commonwealth of Pennsylvania. Tax Assessment # Manufacturer Model Park Name Model Year Serial/VIN #

3. TERMS (12/07) (A) Purchase Price U.S. Dollars

which will be paid to Seller by Buyer as follows: 1. Cash or check at signing of this Agreement: \$ 2. Cash or check within days of the execution of this Agreement: \$ 3. \$ 4. Cash or cashier's check at time of settlement: \$ TOTAL \$

(B) Deposits paid by Buyer within 30 DAYS of settlement will be by cash or cashier's check. Deposits, regardless of the form of payment and the person designated as payee, will be paid in U.S. Dollars to Broker for Seller (unless otherwise stated here), who will retain deposits in an escrow account until consummation or termination of this Agreement in conformity with all applicable laws and regulations. Any check tendered as deposit monies may be held uncashed pending the acceptance of this Agreement.

(C) Seller's written approval to be on or before: (D) Settlement to be on, or before if Buyer and Seller agree. (E) Settlement will occur in the county where the Property is located or in an adjacent county, during normal business hours, unless Buyer and Seller agree otherwise. (F) At time of settlement, the following will be pro-rated on a daily basis between Buyer and Seller, reimbursing where applicable: current taxes (see Notice Regarding State and Local Taxes); rents; interest on loan assumptions; water and/or sewer fees, if any; refuse fees; cable television fees; and other similar charges. The charges are to be pro-rated for the period(s) covered. Seller will pay up to and including the date of settlement; Buyer will pay for all days following settlement, unless otherwise stated here:

4. LOT (12/07) (A) Within 15 DAYS from the Execution Date of this Agreement, Buyer will submit a completed lot rental application to the mobile home park owner or his authorized agent, if applicable, otherwise to the owner of the land on which the Property is located (called "Lot Owner"). This Agreement is contingent upon the approval of Buyer's application by Lot Owner. Owner/Manager Address Phone/Fax number(s) (B) Within 15 DAYS of Buyer's application, Buyer will notify Seller in writing of Lot Owner's decision to accept or reject Buyer's lot rental application.

Buyer Initials: A/S-MH Page 1 of 7 Revised 12/07 Seller Initials:

- (C) If Buyer's application is rejected, all deposit monies will be returned to Buyer according to the terms of paragraph 22 and this Agreement will be VOID.
- (D) Current monthly lot rental fee: \$ _____, which includes the following additional services:
- | | | |
|---|--------------------------------|--------------------------------|
| <input type="checkbox"/> Water | <input type="checkbox"/> Sewer | <input type="checkbox"/> Trash |
| <input type="checkbox"/> Basic Cable television | <input type="checkbox"/> _____ | <input type="checkbox"/> _____ |

5. FIXTURES AND PERSONAL PROPERTY (5-01)

- (A) INCLUDED in this sale and purchase price are all existing items permanently installed in the Property, free of liens. Also included:
- | | | |
|---|---|---|
| <input type="checkbox"/> built-in appliances | <input type="checkbox"/> lighting fixtures (including chandeliers and ceiling fans) | <input type="checkbox"/> mailboxes |
| <input type="checkbox"/> refrigerator | <input type="checkbox"/> existing storm window and doors | <input type="checkbox"/> any remaining heating and cooking fuels owned by Seller and servicing the Property at the time of settlement |
| <input type="checkbox"/> washer | <input type="checkbox"/> existing screens | <input type="checkbox"/> _____ |
| <input type="checkbox"/> dryer | <input type="checkbox"/> shrubbery, plantings and unpotted trees | <input type="checkbox"/> _____ |
| <input type="checkbox"/> range/oven | <input type="checkbox"/> television antennas and/or satellite dishes | <input type="checkbox"/> _____ |
| <input type="checkbox"/> air conditioners | <input type="checkbox"/> shed(s) and other outbuildings | <input type="checkbox"/> _____ |
| <input type="checkbox"/> window covering hardware, shades, blinds | <input type="checkbox"/> skirting | <input type="checkbox"/> _____ |
| <input type="checkbox"/> wall to wall carpeting | <input type="checkbox"/> steps | <input type="checkbox"/> _____ |
| <input type="checkbox"/> water treatment systems | <input type="checkbox"/> awnings | <input type="checkbox"/> _____ |
- (B) LEASED items (items not owned by Seller):
- | | | |
|--|---|---|
| <input type="checkbox"/> water treatment systems | <input type="checkbox"/> heating fuel tank(s) | <input type="checkbox"/> cooking fuel tank(s) |
| <input type="checkbox"/> _____ | <input type="checkbox"/> _____ | <input type="checkbox"/> _____ |
- (C) EXCLUDED fixtures and items: _____

6. DATES/TIME IS OF THE ESSENCE (9-05)

- (A) The settlement date and all other dates and times referred to for the performance of any of the obligations of this Agreement are of the essence and are binding.
- (B) For purposes of this Agreement, the number of days will be counted from the date of execution, excluding the day this Agreement was executed and including the last day of the time period. 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. All changes to this Agreement should be initialed and dated.
- (C) 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.
- (D) Certain time periods are pre-printed in this Agreement as a convenience to the Buyer and Seller. All pre-printed time periods are negotiable and may be changed by striking out the pre-printed text and inserting a different time period acceptable to all parties.

7. FINANCING CONTINGENCY (12/07)

- WAIVED. This sale is NOT contingent upon loan financing, although Buyer may still obtain financing.
- ELECTED.
- (A) This sale is contingent upon Buyer obtaining financing as follows:
- Amount of loan \$ _____
 - Minimum Term _____ years
 - Buyer agrees to accept the interest rate as may be committed by the lender, not to exceed a maximum interest rate of ____%. Buyer gives Seller the right, at Seller's sole option and as permitted by the lender and applicable laws, to contribute financially, without promise of reimbursement, to the Buyer and/or lender to make the above terms available to Buyer.**
- (B) Within _____ days (10 if not specified) from the Execution Date of this Agreement, Buyer will make a completed written loan application to a responsible lender according to the terms above. **Broker for Buyer, if any, otherwise Broker for Seller, is authorized to communicate with the lender for the purposes of assisting in the loan process.**
- (C) **Should Buyer furnish false or incomplete information to Seller, Broker(s), or the lender(s) concerning Buyer's legal or financial status, or fail to cooperate in good faith in processing the loan application, which results in the lender(s) refusing to approve a loan commitment, Buyer will be in default of this Agreement.**
- (D) 1. **Loan commitment date:**
- Upon receiving a loan commitment, Buyer will promptly deliver a copy of the commitment to Seller.
 - Seller may terminate this Agreement in writing after the loan commitment date, if the loan commitment:
 - Is not valid until the date of settlement, OR
 - Is conditioned upon the sale and settlement of any other property, OR
 - Does not satisfy all the terms as stated in paragraph 7 (A), OR
 - Contains any other condition not specified in this Agreement that is not satisfied and/or removed in writing by the lender within 7 DAYS after the commitment date in paragraph 7 (D) (1), other than those conditions that are customarily satisfied at or near settlement, such as obtaining insurance and confirming employment status.
 - If this Agreement is terminated pursuant to paragraphs 7 (D) (1) or (3), or the loan is not obtained for settlement, all deposit monies will be returned to Buyer according to the terms of paragraph 22 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 and/or fire insurance with extended coverage, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees and charges paid in advance to lender.
- (E) **Seller Assist**
- NOT APPLICABLE.
- APPLICABLE. Seller will pay:
- \$ _____, or _____ % of Purchase Price, maximum, toward Buyer's costs as acceptable to the lender.
- _____

8. 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 24 of this Agreement.

Buyer Initials: _____ A/S-MH Page 2 of 7 Seller Initials: _____

9. PROPERTY INSURANCE AVAILABILITY (9-05)

- WAIVED. This Agreement is NOT contingent upon Buyer obtaining property and casualty insurance for the Property, although Buyer may still obtain property and casualty insurance.
- ELECTED. Contingency Period: ____ DAYS (15 if not specified) from the Execution Date of this Agreement.
Within the Contingency Period, Buyer will make 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 Buyer cannot obtain property and casualty insurance for the Property on terms and conditions reasonably acceptable to Buyer, Buyer will, within the Contingency Period:
 - (A) **Accept the Property** and agree to the RELEASE in paragraph 24 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 22 of this Agreement, OR
 - (C) Enter into a mutually acceptable written agreement with Seller.
If Buyer and Seller do not reach a written agreement during the Contingency Period, and Buyer does not terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in paragraph 24 of this Agreement.

10. INSPECTIONS (9-05)

- (A) Seller will provide access to insurers' representatives and, as may be required by this Agreement, to surveyors, municipal officials, and inspectors. If Buyer is obtaining financing, Seller will provide access to the Property to appraisers and others reasonably required by lender. Buyer may attend any inspections.
- (B) Buyer may make a pre-settlement walk-through inspection of the Property. Buyer's right to this inspection is not waived by any other provision of this Agreement.
- (C) Seller will have heating and all utilities (including fuel(s)) on for all inspections.
- (D) All inspectors, including home inspectors, are authorized by Buyer to provide a copy of any inspection report to Broker for Buyer.
- (E) Seller has the right, upon request, to receive without charge a copy of any inspection report from the party for whom it was prepared.

11. INSPECTION CONTINGENCY OPTIONS (9-05)

The inspection contingencies elected by Buyer in paragraphs 12-14 are controlled by the Options set forth below. The time periods stated in these Options will apply to all inspection contingencies in paragraphs 12-14 unless otherwise stated in this Agreement.

Option 1. Within the Contingency Period, as stated in paragraphs 12-14, Buyer will:

- 1. **Accept the Property** with the information stated in the report(s) and agree to the RELEASE in paragraph 24 of this Agreement, OR
- 2. If Buyer is not satisfied with the information stated in the report(s), **terminate this Agreement** by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 22 of this Agreement, OR
- 3. **Enter into a mutually acceptable written agreement** with Seller providing for any repairs or improvements to the Property and/or any credit to Buyer at settlement, as acceptable to the lender(s), if any.

If Buyer and Seller do not reach a written agreement during the specified Contingency Period, and Buyer does not terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in paragraph 24 of this Agreement.

Option 2. Within the Contingency Period, as stated in paragraphs 12-14, Buyer will:

- 1. **Accept the Property** with the information stated in the report(s) and agree to the RELEASE in paragraph 24 of this Agreement, OR
- 2. If Buyer is not satisfied with the information stated in the report(s), **present the report(s) to Seller with a Written Corrective Proposal ("Proposal") listing corrections and/or credits desired by Buyer.** The Proposal may, but is not required to, include the name of a properly licensed or qualified professional to perform the corrections requested in the Proposal, provisions for payment, including retests, and a projected date for completion of the corrections. Buyer agrees that Seller will not be held liable for corrections that do not comply with lender or governmental requirements if performed in a workmanlike manner according to the terms of Buyer's Proposal, or by a contractor selected by Buyer.
 - a. Within ____ days (7 if not specified) of receiving Buyer's Proposal, Seller will inform Buyer in writing of Seller's choice to:
 - (1) Satisfy the terms of Buyer's Proposal, OR
 - (2) Credit Buyer at settlement for the costs to satisfy the terms of Buyer's Proposal, as acceptable to the lender, if any, OR
 - (3) Not satisfy the terms of Buyer's Proposal and not credit Buyer at settlement for the costs to satisfy the terms of Buyer's Proposal.
 - b. If Seller agrees to satisfy the terms of Buyer's Proposal or to credit Buyer at settlement as specified above, Buyer accepts the Property and agrees to the RELEASE in paragraph 24 of this Agreement.
 - c. If Seller chooses not to satisfy the terms of Buyer's Proposal and not to credit Buyer at settlement as specified above, or if Seller fails to choose any option within the time given, Buyer will, within ____ days (5 if not specified):
 - (1) Accept the Property with the information stated in the report(s) and agree to the RELEASE in paragraph 24 of this Agreement, OR
 - (2) Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 22 of this Agreement, OR
 - (3) Enter into a mutually acceptable written agreement with Seller providing for any repairs or improvements to the Property and/or any credit to Buyer at settlement, as acceptable to the lender(s), if any.

If Buyer and Seller do not reach a written agreement during the time specified in Option 2, 2. c., and Buyer does not terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in paragraph 24 of this Agreement.

12. PROPERTY INSPECTION CONTINGENCY (9-05) (See Property and Environmental Inspection Notices)

Buyer understands that property inspections, certifications and/or investigations can be performed by professional contractors, home inspectors, engineers, architects and other properly licensed or otherwise qualified professionals, and may include, but are not limited to: structural components; roof; exterior windows and exterior doors; exterior siding, fascia, gutters and downspouts; swimming pools, hot tubs and spas; appliances; electrical, plumbing, heating and cooling systems; water penetration; environmental hazards (e.g., mold, fungi, indoor air quality, asbestos, underground storage tanks, etc.); electromagnetic fields; wetlands inspection; flood plain verification; property boundary/square footage verification; and any other items Buyer may select. Buyer is advised to investigate easements, deed and use restrictions (including any historic preservation restrictions or ordinances) that apply to the Property and to review local zoning ordinances. Other provisions of this Agreement may provide for inspections, certifications and/or investigations that are not waived or altered by Buyer's election here.

- WAIVED. Buyer has the option to conduct property inspections, certifications and/or investigations. Buyer WAIVES THIS OPTION and agrees to the RELEASE in paragraph 24 of this Agreement.
- ELECTED. Contingency Period: ____ days (15 if not specified) from the Execution Date of this Agreement.

183 (A) **Within the Contingency Period**, Buyer, at Buyer's expense, may have inspections, certifications and/or investigations completed by properly licensed or otherwise qualified professionals. If Buyer elects to have a home inspection of the Property, as defined in the Pennsylvania Home Inspection Law (see Information Regarding 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 professional engineer, or a properly licensed or registered architect. This contingency does not apply to the following existing conditions and/or items: _____
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191 (B) If Buyer is not satisfied with the condition of the Property as stated in the written inspection report(s), Buyer will proceed under one of the following Options as listed in paragraph 11 **within the Contingency Period**:
192
193 **Option 1**
194 **Option 2**

195 **13. WOOD INFESTATION INSPECTION CONTINGENCY (12/07)**

196 **WAIVED.** Buyer has the option to have the Property inspected for wood infestation by an inspector certified as a wood-destroying pests pesticide applicator. BUYER WAIVES THIS OPTION and agrees to the RELEASE in paragraph 24 of this Agreement.
197
198 **ELECTED.** Contingency Period: _____ days (15 if not specified) from the Execution Date of this Agreement.

199 (A) **Within the Contingency Period**, Buyer, at Buyer's expense, may obtain a written "Wood-Destroying Insect Infestation Inspection Report" from an inspector certified as a wood-destroying pests 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, lender requirements, and/or Federal Insuring and Guaranteeing Agency requirements, if any. The inspection is to be limited to all readily visible and accessible areas of all structures on the Property except fences and the following structures, which will not be inspected: _____
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201
202
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205 (B) If the inspection reveals active infestation(s), Buyer, at Buyer's expense, may **within the Contingency Period**, obtain a Proposal from a wood-destroying pests pesticide applicator to treat the Property.
206

207 (C) If the inspection reveals damage from active or previous infestation(s), Buyer, at Buyer's expense, may **within the Contingency Period**, 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 and/or treat the Property.
208
209

210 (D) If Buyer is not satisfied with the condition of the Property as stated in the written inspection report(s), Buyer will proceed under one of the following Options as listed in paragraph 11 **within the Contingency Period**:
211
212 **Option 1**
213 **Option 2**

214 (E) All treatment or repairs to be performed by Seller are subject to approval of Lot Owner, if required. If Lot Owner refuses to approve of a treatment plan, repairs or other corrections that are mutually acceptable to Buyer and Seller, Buyer may, within 5 DAYS of learning of such refusal, terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 22 of this Agreement.
215
216

217 **14 STATUS OF WATER (12/07)**

218 (A) Seller represents that the Property is served by:
219 Public Water
220 On-site Water
221 Community Water
222 None
223 _____

224 (B) **WATER SERVICE INSPECTION CONTINGENCY**

225 **WAIVED.** Buyer has the option to have an inspection of the quality and or quantity of the water system for the Property. BUYER WAIVES THIS OPTION and agrees to the RELEASE in paragraph 24 of this Agreement.
226
227 **ELECTED.** Contingency Period: _____ days (15 if not specified) from the Execution Date of this Agreement.

- 228 1. **Within the Contingency Period**, Buyer, at Buyer's expense, may obtain an inspection of the quality and/or quantity of the water system from a properly licensed or otherwise qualified water/well testing company.
- 229 2. If required by the inspection company, Seller, at Seller's expense, will locate and provide access to the on-site (or individual) water system. Seller also agrees to restore the Property, at Seller's expense, prior to settlement.
- 230 3. If Buyer is not satisfied with the condition of the water system as stated in the written inspection report(s), Buyer will proceed under one of the following Options as listed in paragraph 11 **within the Contingency Period**:

231 **Option 1**
232 **Option 2**
233
234 4. All treatment or repairs to be performed by Seller are subject to approval of Lot Owner, if required. If Lot Owner refuses to approve of a treatment plan, repairs or other corrections that are mutually acceptable to Buyer and Seller, Buyer may, within 5 DAYS of learning of such refusal, terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 22 of this Agreement.
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240 **15. STATUS OF SEWER (5-01)**

241 (A) Seller represents that the Property is served by:
242 Public Sewer
243 Individual On-lot Sewage Disposal System
244 Individual On-lot Sewage Disposal System in Proximity to Well (See Sewage Notice)
245 Community Sewage Disposal System
246 Holding Tank

247 (B) Seller has no knowledge of sewer-related problems, except as follows: _____
248

250 **16. NOTICES, ASSESSMENTS & CERTIFICATES OF OCCUPANCY (12/07)** 250

251 (A) Seller represents, as of the date Seller signed this Agreement, that no public improvement, condominium or homeowner association assessments
252 have been made against the Property which remain unpaid, and that no notice by any government or public authority has been served upon Seller
253 or anyone on Seller's behalf, including notices relating to violations of zoning, housing, building, safety or fire ordinances that remain uncorrected,
254 and that Seller knows of no condition that would constitute a violation of any such ordinances that remain uncorrected, unless otherwise specified
255 here: _____ 255

256
257 (B) Seller knows of no other potential notices (including violations) and assessments except as follows: _____ 257
258 _____ 258

259 (C) In the event any notices (including violations) and/or assessments are received after Seller has signed this Agreement and before settlement, Seller will
260 provide a copy of the notices and/or assessments to Buyer and will notify Buyer in writing within 5 DAYS of receiving the notices and/or assessments
261 that Seller will: 261

- 262 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,
263 Buyer accepts the Property and agrees to the RELEASE in paragraph 24 of this Agreement. OR 263
- 264 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 time
265 given to notify Buyer whether Seller will comply**, Buyer will notify Seller in writing within 5 DAYS that Buyer will: 265
- 266 a. Comply with the notices and/or assessments at Buyer's expense, accept the Property, and agree to the RELEASE in paragraph 24 of this
267 Agreement, OR 267
- 268 b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 22 of
269 this Agreement. 269

270 **If Buyer fails to respond within the time stated in paragraph 16 (C) (2) or fails to terminate this Agreement by written notice to Seller
271 within that time, Buyer will accept the Property and agree to the RELEASE in paragraph 24 of this Agreement.** 271

272 (D) 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, Seller will
273 order at Seller's expense a certification from the appropriate municipal department(s) disclosing notice of any uncorrected violations of zoning, housing,
274 building, safety or fire ordinances and/or a certificate permitting occupancy of the Property. If Buyer receives a notice of any required
275 repairs/improvements, Buyer will promptly deliver a copy of the notice to Seller. 275

- 276 1. Within 5 DAYS of receiving notice from the municipality that repairs/improvements are required, Seller will notify Buyer in writing that
277 Seller will: 277
- 278 a. Make the required repairs/improvements to the satisfaction of the municipality. If Seller makes the required repairs/improvements, Buyer
279 accepts the Property and agrees to the RELEASE in paragraph 24 of this Agreement. OR 279
- 280 b. Not make the required repairs/improvements. If Seller chooses not to make the required repairs/improvements, Buyer will notify Seller in writing
281 within 5 DAYS that Buyer will: 281
- 282 (1) Make the repairs/improvements at Buyer's expense, with permission and access to the Property given by Seller, which will not be unreasonably
283 withheld, OR 283
- 284 (2) Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 22 of
285 this Agreement. 285

286 **If Buyer fails to respond within the time stated in paragraph 16 (D) (1) (b) or fails to terminate this Agreement by written notice to Seller
287 within that time, Buyer will accept the Property and agree to the RELEASE in paragraph 24 of this Agreement, and Buyer accepts the
288 responsibility to perform the repairs/improvements according to the terms of the notice provided by the municipality.** 288

- 289 2. If Seller denies Buyer permission to make the required repairs/improvements, or does not provide Buyer access before settlement to make the
290 required repairs/improvements, Buyer may, within 5 DAYS terminate this Agreement by written notice to Seller, with all deposit monies
291 returned to Buyer according to the terms of paragraph 22 of this Agreement. 291
- 292 3. If repairs/improvements are required and Seller fails to provide a copy of the notice to Buyer as required in paragraph 16 (D), Seller will perform
293 all repairs/improvements as required by the notice at Seller's expense. **Paragraph 16 (D) (3) will survive settlement.** 293

294 (E) Access to a public road may require issuance of a highway occupancy permit from the Department of Transportation. 294

295 **17. TITLE AND COSTS (5-01)** 295

- 296 (A) The Property is to be conveyed free and clear of all liens and encumbrances. 296
- 297 (B) Buyer will pay for the following: 297
- 298 1. Flood insurance and/or fire insurance with extended coverage, or cancellation fee, if any; 298
- 299 2. Appraisal fees and charges paid in advance to lender, if any; 299
- 300 3. Buyer's customary settlement costs. 300

301 **18. ZONING CLASSIFICATION (5-01)** 301

302 Failure of this Agreement to contain the zoning classification (except in cases where the property {and each parcel thereof, if subdividable} is zoned solely
303 or primarily to permit single-family dwellings) will render this Agreement voidable at the option of the Buyer, and, if voided, any deposits tendered by
304 the Buyer will be returned to the Buyer without any requirement for court action. 304

305 **Zoning Classification:** _____ 305

306 **19. MAINTENANCE & RISK OF LOSS (9-05)** 306

- 307 (A) Seller will maintain the Property, grounds, fixtures and personal property specifically listed in this Agreement in its present condition, normal wear
308 and tear excepted. 308
- 309 (B) If any system or appliance included in the sale of the Property fails before settlement, Seller will: 309
- 310 1. Repair or replace the failed system or appliance before settlement, OR 310
- 311 2. Provide prompt written notice to Buyer of Seller's decision to: 311
- 312 a. Credit Buyer at settlement for the fair market value of the failed system or appliance, as acceptable to the lender(s), if any, OR 312
- 313 b. Not repair or replace the failed system or appliance, and not credit Buyer at settlement for the fair market value of the failed system or appliance. 313
- 314 3. If Seller does not repair or replace the failed system or appliance or agree to credit Buyer for its fair market value, or if Seller fails to notify Buyer of
315 Seller's choice, Buyer will notify Seller in writing within 5 DAYS or before settlement, whichever is earlier, that Buyer will: 315
- 316 a. Accept the Property and agree to the RELEASE in paragraph 24 of this Agreement, OR 316
- 317 b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 22 of this Agreement. 317

318 **Buyer Initials:** _____ **A/S-MH Page 5 of 7** **Seller Initials:** _____ 318

(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, 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 22 of this Agreement.

20. POSSESSION (12/07)

(A) Possession is to be delivered by title, keys and:

1. Physical possession to vacant Property free of debris, with all structures broom clean, at day and time of settlement, AND/OR
2. Assignment of existing lease(s), together with any security deposits and interest, at time of settlement, if Property is leased at the execution of this Agreement or unless otherwise specified in this Agreement.

(B) Buyer will acknowledge existing lease(s) by initialing said lease(s) at time of execution of this Agreement.

(C) Seller will not enter into any new leases, extension of existing leases, or additional leases for the Property without the written consent of Buyer.

21. ASSIGNMENT (9-05) 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.

22. TERMINATION & RETURN OF DEPOSITS (9-05)

(A) Where Buyer terminates this Agreement pursuant to any right granted by this Agreement, all deposit monies paid on account of purchase price will be returned to Buyer and this Agreement will be VOID. The broker holding the deposit monies may only release the deposit monies according to the terms of a fully executed written agreement between Buyer and Seller and as permitted by the Rules and Regulations of the State Real Estate Commission.

(B) If there is a dispute over entitlement to deposit monies, a broker is not legally permitted to determine if a breach occurred or which party is entitled to deposit monies. A broker holding the deposit monies is required by the Rules and Regulations of the State Real Estate Commission to retain the monies in escrow until the dispute is resolved. In the event of litigation over deposit monies, a broker will distribute the monies according to the terms of a final order of court or a written agreement of the parties. Buyer and Seller agree that, if any broker or affiliated licensee is joined in litigation regarding deposit monies, the attorneys' fees and costs of the broker(s) and licensee(s) will be paid by the party joining them.

23. 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 owing to fraud, misrepresentation, or deceit in a real estate transaction and who have been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658 or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).

24. 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.

25. REPRESENTATIONS (9-05)

(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. 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 or 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.**

(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 (9-05)

(A) 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 3, 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.

(B) **Unless otherwise checked in paragraph 26 (C), 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 breach.

(C) **SELLER IS LIMITED TO RETAINING SUMS PAID BY BUYER, INCLUDING DEPOSIT MONIES, AS LIQUIDATED DAMAGES.**

(D) If Seller retains all sums paid by Buyer, including deposit monies, as liquidated damages pursuant to paragraph 26 (B) or (C), Buyer and Seller are released from further liability or obligation and this Agreement is VOID.

27. MEDIATION (9-05)

(A) Unless otherwise checked in paragraph 27 (D), Buyer and Seller will submit all disputes or claims that arise from this Agreement to mediation in accordance with the Rules and Procedures of the Home Sellers/Home Buyers Dispute Resolution System. Any agreement reached through mediation and signed by the parties will be binding (see Information Regarding Mediation).

(B) Buyer and Seller have received, read, and understand the Rules and Procedures of the Home Sellers/Home Buyers Dispute Resolution System.

(C) Any agreement to mediate disputes or claims arising from this Agreement will survive settlement.

(D) **MEDIATION IS WAIVED.** Buyer and Seller understand that they may choose to mediate at a later date should a dispute or claim arise, but that there will be no obligation for any party to do so.

387 Buyer Initials: _____

Seller Initials: _____

388 **28. RESIDENTIAL LEAD-BASED PAINT HAZARD REDUCTION ACT NOTICE (Required for properties built before 1978) (9-05)** 388
389 **Lead-Based Paint Hazards Disclosure Requirements:** The Residential Lead-Based Paint Hazard Reduction Act requires any seller of property built 389
390 before 1978 to provide the buyer with an EPA-approved lead hazards information pamphlet titled *Protect Your Family from Lead in Your Home* and to dis- 390
391 close to the buyer and the broker(s) the known presence of lead-based paint and/or lead-based paint hazards in or on the property being sold, along with the 391
392 basis used for determining that the hazards exist, the location of the hazards, and the condition of painted surfaces. Any seller of a pre-1978 structure must 392
393 also provide the buyer with any records or reports available to the seller regarding lead-based paint and/or lead-based paint hazards in or about the property 393
394 being sold, the common areas, or other residential dwellings in multi-family housing. Before a buyer is obligated to purchase any housing constructed prior 394
395 to 1978, the Act requires the seller to give the buyer 10 days (unless buyer and seller agree in writing to another time period) to conduct a risk assessment or 395
396 inspection for the presence of lead-based paint and/or lead-based paint hazards. The opportunity to conduct a risk assessment or inspection may be waived 396
397 by the buyer, in writing. Neither testing nor abatement is required of the seller. Housing built in 1978 or later is not subject to the Act. 397

398 NOT APPLICABLE. Property was built in 1978 or later. 398
399 APPLICABLE. Property was built before 1978. **Broker must attach the Lead-Based Paint Hazards Disclosure and Inspection Contingency 399**
400 **Addendum (PAR Form LPA) or another acceptable form with the information required by the Act, and provide Buyer the pamphlet 400**
401 ***Protect Your Family from Lead in Your Home*. Buyer(s) must initial below that they have received both documents:** 401
402 **➡** _____ Lead-Based Paint Hazards Disclosure and Inspection Contingency Addendum (attached as part of this Agreement) 402
403 **➡** _____ *Protect Your Family from Lead in Your Home* 403

404 **29. SPECIAL CLAUSES (5-01)** 404
405 (A) **The following are part of this Agreement if checked:** 405
406 Sale & Settlement of Other Property Contingency Addendum (PAR Form SSP) 406
407 Sale & Settlement of Other Property Contingency 407
408 with Right to Continue Marketing Addendum 408
409 (PAR Form SSP-CM) 409
410 Settlement of Other Property Contingency Addendum (PAR Form SOP) 410
411 Tenant-Occupied Property Addendum (PAR Form TOP) 411
412 _____ 412
413 _____ 413

414 (B) **SPECIAL PROVISIONS (IF ANY):** 414
415 _____ 415
416 _____ 416
417 _____ 417

418 **Buyer and Seller acknowledge receipt of a copy of this Agreement at the time of signing.** 418
419 _____ 419
420 **Buyer acknowledges receiving a copy of the Rules and Regulations for the Mobile Home Park identified in paragraph 2, if applicable (See Notice 420**
421 **regarding Mobile Home Park Rights Act).** 421
422 _____ 422

423 **NOTICE TO PARTIES: WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT. Return by facsimile transmission (FAX) of this 423**
424 **Agreement, and any addenda and amendments, bearing the signatures of all parties, constitutes acceptance by the parties. Parties to this transaction 424**
425 **are advised to consult an attorney before signing if they desire legal advice.** 425
426 _____ 426

- 427 Buyer has received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code §35.336. 427
428 Buyer has received a statement of Buyer's estimated closing costs before signing this Agreement. 428
429 Buyer has read and understands the notices and explanatory information in this Agreement. 429
430 Buyer has received a Seller's Property Disclosure Statement before signing this Agreement, if required by law (see Information Regarding the Real 430
431 Estate Seller Disclosure Law). 431
432 Buyer has received the Deposit Money Notice (for cooperative sales when Broker for Seller is holding deposit money) before signing this Agreement. 432
433 _____ 433

434 **BUYER'S MAILING ADDRESS:** _____ 434
435 **BUYER'S MAILING ADDRESS:** _____ 435

436 **WITNESS** _____ **BUYER** _____ **DATE** _____ 436
437 **WITNESS** _____ **BUYER** _____ **DATE** _____ 437
438 **WITNESS** _____ **BUYER** _____ **DATE** _____ 438

439 **Seller has received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code §35.336.** 439
440 **Seller has received a statement of Seller's estimated closing costs before signing this Agreement.** 440
441 **Seller has read and understands the notices and explanatory information in this Agreement.** 441

442 **SELLER'S MAILING ADDRESS:** _____ 442
443 **SELLER'S MAILING ADDRESS:** _____ 443

444 **WITNESS** _____ **SELLER** _____ **DATE** _____ 444
445 **WITNESS** _____ **SELLER** _____ **DATE** _____ 445
446 **WITNESS** _____ **SELLER** _____ **DATE** _____ 446

NOTICES AND INFORMATION

COMMUNICATIONS WITH BUYER AND/OR SELLER

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

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

INFORMATION REGARDING THE MOBILE HOME PARK RIGHTS ACT

Derived from the Mobile Home Park Rights Act, 68 P.S. §398.1 *et seq.*

Definitions

“Mobile Home” means a transportable, single-family dwelling unit intended for permanent occupancy and constructed as a single unit, or as two or more units designed to be joined into an integral unit capable of again being separated for repeated towing, which arrives at a site complete and ready for occupancy except for minor and incidental unpacking and assembly operations, and constructed so that it may be used without a permanent foundation.

“Mobile Home Park” means any site, lot, field, or tract of land, privately or publicly owned or operated, upon which three or more mobile homes, occupied for dwelling or sleeping purposes, are or are intended to be located, regardless of whether or not a charge is made for such accommodation.

“Mobile Home Resident” means an owner of a mobile home who leases or rents space in a mobile home park. The term does not include a person who rents or leases a mobile home.

“Mobile Home Space” means a plot of ground within a mobile home park designed for the accommodation of one mobile home.

“Rent” means ground rent for the mobile home site.

“Service Charges” means charges for electricity, gas service which is underground and piped directly to individual units within the park, trash removal, sewer and water.

Right to Rules and Regulations of Mobile Home Park

The owner or operator of a mobile home park may at any time establish fair and reasonable rules and regulations reasonably related to the health or safety of residents in the park or to the upkeep of the park, provided such rules and regulations are included in any written lease and delivered to existing residents and are posted in a conspicuous and readily accessible place in the mobile home park. All rules or rental charges shall be uniformly applied to all mobile home residents or prospective mobile home residents of the same or similar category. When the lease or rental agreement is oral, the resident shall be provided with a written copy of such rules and regulations prior to the owner's or operator's acceptance of any initial deposit, fee or rent. In addition a copy of the Mobile Home Park Rights Act shall be posted in a conspicuous and readily accessible place in the mobile home park and a copy of a notice regarding the rights of mobile home residents shall be reproduced in capital typewritten letters or in ten-point boldface print and be given to each resident upon entering into the lease. **Buyers are advised to request a copy of the rules and regulations of the mobile home park prior to signing an Agreement to purchase the Property.**

NOTICE REGARDING STATE AND LOCAL TAXES

Pennsylvania law does not require the collection of sales tax on the "sale or use of used pre-built housing," 72 P.S. §7204(60), which is defined as "manufactured housing, including mobile homes . . . previously subject to a sale to a pre-built housing purchaser." 72 P.S. §§7201(vv), (ww).

The sale of a Mobile/Manufactured Home without the accompanying sale of real property is not subject to the state or local Real Estate Transfer Tax.

Buyers should be aware that certain municipalities may levy local taxes on a mobile/manufactured home separately from any tax on the real estate occupied by the home.

Where Buyer and/or Seller are responsible for payment of real estate taxes, the "periods covered" by the tax bills for purposes of prorating real estate taxes are as follows:

Municipal Taxes: For all counties and municipalities in Pennsylvania, tax bills are for the period January 1 to December 31.

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

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

NOTICE TO BUYERS SEEKING FINANCING

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

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You should arrange to have a home inspection before you purchase your home. Make sure your contract states that the sale of the home depends on the inspection.

If you believe you have been subject to discrimination because of your race, color, religion, sex, handicap, familial status, or national origin, you should call the HUD Fair Housing and Equal Opportunity Complaint Hotline: (800) 669-9777.

NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW)

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

PROPERTY & ENVIRONMENTAL INSPECTION NOTICES

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

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

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

Asbestos: The heat-resistant and durable nature of asbestos makes it useful in construction. The physical properties that give asbestos its resistance to heat and decay are linked with several adverse health effects. Asbestos can easily break into microscopic fibers that remain suspended in the air for long periods of time. When inhaled, these fibers easily penetrate body tissue. Asbestos is known to cause Asbestosis and various forms of cancer. Inquiries or requests for more information about asbestos can be directed to the U.S. Environmental Protection Agency, Ariel Rios Building, 1200 Pennsylvania Ave., N.W., Washington, D.C. 20460, and/or the Department of Health, Commonwealth of Pennsylvania, Division of Environmental Health, Harrisburg, PA 17120.

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

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

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

SEWAGE NOTICE

Sewage: 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 will 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 will be 100 feet.

LEAD-BASED PAINT NOTICE

For Properties built before 1978

Lead Warning Statement: Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

INFORMATION REGARDING THE HOME INSPECTION LAW

68 Pa. C.S.A. §7501, et seq.

Applicability: In general, the Home Inspection Law applies to residential real estate transfers. 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. See Information Regarding The Real Estate Seller Disclosure Law (exceptions 1-8) for a list of exceptions to this general rule.

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

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

A home inspection report must be in writing and shall include:

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

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

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

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

Home inspector: An individual who performs a home inspection.

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

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

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

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

INFORMATION REGARDING THE REAL ESTATE SELLER DISCLOSURE LAW

Generally speaking, 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.

The Law defines a number of exceptions where the disclosures do not have to be made:

1. Transfers that are the result of a court order.
2. Transfers to a mortgage lender that result from a buyer's default and subsequent foreclosure sales that result from default.
3. Transfers from a co-owner to one or more other co-owners.
4. Transfers made to a spouse or direct descendant.
5. Transfers between spouses that result from divorce, legal separation, or property settlement.
6. Transfers by a corporation, partnership or other association to its shareholders partners or other equity owners as part of a plan of liquidation.
7. Transfer of a property to be demolished or converted to non-residential use.
8. Transfer of unimproved real property.
9. Transfers by a fiduciary during the administration of a decedent estate, guardianship, conservatorship or trust.
10. Transfers of new construction that has never been occupied when:
 - a. The buyer has received a one-year warranty covering the construction;
 - b. The building has been inspected for compliance with the applicable building code or, if none, a nationally recognized model building code; and
 - c. A certificate of occupancy or a certificate of code compliance has been issued for the dwelling.

In addition to these exceptions, 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 condominiums and cooperative interests.

MEDIATION

DISPUTE RESOLUTION SYSTEM RULES AND PROCEDURES

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

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

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

4. **Mediation Fees** Mediation fees will be divided equally among the parties and will be paid *before* the mediation conference. The parties will follow the payment terms contained in the mediator's fee schedule.
5. **Time and Place of Mediation Conference** Within ten days of being appointed to the dispute, the mediator will contact the parties and set the date, time and place of the mediation conference. The mediator must give at least twenty days' advance notice to all parties. The mediation conference should not be more than sixty days from the mediator's appointment to the dispute.
6. **Conduct of Mediation Conference** The parties attending the mediation conference will be expected to:
 - a. Have the authority to enter into and sign a binding settlement to the dispute.
 - b. Produce all information required for the mediator to understand the issues of the dispute. The information may include relevant written materials, descriptions of witnesses and the content of their testimony. The mediator can require the parties to deliver written materials and information before the date of the mediation conference.

The mediator presiding over the conference:

- a. Will impartially conduct an orderly settlement negotiation.
- b. Will help the parties define the matters in dispute and reach a mutually agreeable solution.
- c. Will have no authority to render an opinion, to bind the parties to his or her decision, or to force the parties to reach a settlement.

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

7. **Representation by Counsel** Any party who intends to be accompanied to the mediation conference by legal counsel will notify the mediator and the other parties of the intent at least ten days before the conference.
8. **Confidentiality** No aspect of the mediation can be relied upon or introduced as evidence in any arbitration, judicial or other proceeding. This includes, but is not limited to, any opinions or suggestions made by any party regarding a possible settlement; any admissions made during the course of the mediation; any proposals or opinions expressed by the mediator; and any responses given by any party to opinions, suggestions, or proposals. No privilege will be affected by disclosures made in the course of the mediation. Transcripts or recordings of the mediation will not be allowed without the prior, written consent of all parties and the mediator. Records, reports, and other documents received or prepared by the mediator or Administrator cannot be compelled by an arbitration, judicial, or other proceeding, with the exception of an agreement that was reached in the course of mediation and signed by all the parties. Neither the mediator nor the Administrator can be compelled to testify in any proceeding regarding information given or representations made either in the course of the mediation or in any confidential communication.
9. **Mediated Settlement** When a dispute is resolved through mediation, the mediator will put the complete agreement in writing and all parties will sign the written agreement within ten days of the conclusion of the mediation conference. Every reasonable effort will be made to sign the written agreement at the end of the conference.
10. **Judicial Proceedings and Immunity** NEITHER THE ADMINISTRATOR, THE MEDIATOR, THE NATIONAL ASSOCIATION OF REALTORS®, THE PENNSYLVANIA ASSOCIATION OF REALTORS®, NOR ANY OF ITS MEMBER BOARDS, WILL BE DEEMED NECESSARY OR INDISPENSABLE PARTIES IN ANY JUDICIAL PROCEEDINGS RELATING TO MEDIATION UNDER THESE RULES AND PROCEDURES, NOR WILL ANY OF THEM SERVING UNDER THESE PROCEDURES BE LIABLE TO ANY PARTY FOR ANY ACT, ERROR OR OMISSION IN CONNECTION WITH ANY SERVICE OR THE OPERATION OF THE HOME SELLERS/HOME BUYERS DISPUTE RESOLUTION SYSTEM.