

AGREEMENT OF SALE

This Agreement, dated this \_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_, is entered into by and between: STONEHOUSE DEVELOPMENT, L.P., a Pennsylvania limited partnership with offices at 2501 N. Atherton Street, State College, PA 16803, (herein after referred to as “SELLER”) party of the first part,

- AND -

\_\_\_\_\_,  
(herein after referred to as “BUYER”), party of the second part.

WITNESSETH:

WHEREAS, STONEHOUSE DEVELOPMENT, L.P. is the owner of a certain parcel of real property located in Porter Township, Clinton County, Pennsylvania, known and referred to herein as Lot \_\_\_\_ as shown on that certain plan entitled “Stonehouse Subdivision Plan, Final Plan, Record Plan”, dated March 12. 2003, by Dana R. Boob, Surveying & Engineering, Millheim, Pennsylvania, of record in the Office of the Recorder of Deeds of Clinton County, Pennsylvania, as Instrument No. 2006-5498, which is incorporated herein by reference.

WHEREAS, SELLER. is desirous of selling and BUYER is desirous of purchasing Lot \_\_\_\_\_ under the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and intending to be legally bound, the parties agree as follows:

1. Sale and Purchase. BUYER agrees to buy and SELLER agrees to sell Lot \_\_\_\_ located in Stonehouse Subdivison, Porter Township, Clinton County, Pennsylvania for the consideration of \_\_\_\_\_ (\$00,000.00) --- Dollars.

2. Purchase Price. The purchase price of \_\_\_\_\_ Thousand and 00/100 --- (\$00,000) --- Dollars shall be paid to STONEHOUSE DEVELOPMENT L.P. by BUYER, in full at closing.

3. Closing. Closing shall be held on or before \_\_\_\_\_, 200\_\_\_\_, at such place and exact time as mutually agreed upon by and between the parties.

4. Real Estate Taxes; Realty Transfer Taxes. All realty transfer taxes imposed upon the recording of the Deed shall be divided equally between the parties; the parties further agree to prorate real estate taxes on a fiscal year basis as of the date of closing.

5. Title. Title to the Property shall be conveyed to BUYER at closing by special warranty deed and shall be good and marketable and free and clear of all liens and encumbrances and such as would be insured at regular rates by a title company doing business in Pennsylvania, subject, nevertheless, to public rights-of-way, utility easements, all matters shown upon the subdivision plans recorded as Clinton County Instrument Nos. 2006-5497, 5498, and 5499, and the covenants and restrictions of record as Clinton County Instrument No. 2006-6156. SELLER agrees to provide this deed at its expense.

6. Municipal Liens. Any municipal lien or charge with respect to improvements not commenced on the date of settlement shall be the obligation of BUYER and BUYER agrees to pay such obligation in accordance with the requirements of the municipality from time to time. All other municipal liens shall be the obligations of SELLER.

7. Closing Costs. BUYER agrees to pay all closing costs in relation to the transfer of Lot \_\_\_\_ except as otherwise provided in this agreement. At closing Buyer will pay an initial fee of One Hundred (\$100.00) Dollars to the Stonehouse Homeowners Association of which Buyer is required to be a member by virtue of acquisition of a lot in the Stonehouse subdivision.

8. Water Tap Fee. BUYER agrees they shall, in addition to the purchase price stated above, purchase a water tap permit from the Nittany Water Company.

9. Sanitary Sewer Tap Fee. BUYER agrees that at closing, they shall, in addition to the purchase price stated above, pay to SELLER the sum of \$\_\_\_\_\_ as reimbursement to SELLER of a sanitary sewer tap permit fee previously paid to East Nittany Valley Municipal Joint Authority. If SELLER has not secured the sanitary sewer tap permit in advance of closing, there shall be no reimbursement and BUYER shall secure a sanitary sewer tap permit at BUYER'S own expense.

10. Bonded Improvements. BUYER shall cooperate with SELLER to facilitate SELLER'S turning over to the appropriate governmental authorities all Bonded Improvements required by state or local ordinance to be turned over to said governmental authorities even though it is possible that BUYER will have turned over the Lot to another purchaser. After commencement of construction or settlement on a lot, whichever shall first occur, BUYER shall be responsible for damages and shall be liable to repair any deficiency to said Bonded Improvements caused by BUYER, their agents, employees, subcontractors, invitees and other persons on the property at the direction or invitation of BUYER and for compliance with lot development plans and county and state regulation or other requirements of appropriate governmental authorities or until approval and acceptance of Bonded Improvements, where applicable, or until such other time as repairs are completed. In the event that damages to the Bonded Improvements already exist at the time of closing, then BUYER shall document those damages by photographs, and promptly provide a copy of such documentation to SELLER, thereby absolving BUYER from responsibility for such damages.

SELLER agrees to use due diligence in obtaining acceptance of the improvements and bond release (if applicable) by the appropriate governmental authorities. BUYER'S period of responsibility of the above referenced maintenance of Bonded Improvements and compliance with lot development plans and county and state regulation and all other applicable requirements (which are the responsibility of BUYER as described in the preceding paragraph) shall not extend beyond BUYER'S completion of repairs required by the Final Inspection Report (as hereafter defined) to SELLER'S satisfaction; provided, however, that this limitation of responsibility shall not apply to any item of repair by BUYER subsequently rejected by the appropriated county or state inspector.

Upon written request by SELLER, BUYER shall respond to SELLER and commence repairs of all deficiencies with regard to maintenance of the Bonded Improvements and compliance with lot development plans (which are the responsibility of BUYER as described in the proceeding two paragraphs) within 15 days of such notice at BUYER'S sole cost. In the event BUYER should fail to respond to SELLER within the said 15 days, then SELLER may repair and charge BUYER and BUYER shall pay SELLER'S costs plus 15% within 15 days of billing by SELLER. In the event BUYER does not pay SELLER within said 15 days, interest will accrue on the amount unpaid at the rate of 12% per annum from the date billed until the

date final payment is received. "Final Inspection" shall take place when BUYER has completed the construction of a section of lots and such Final Inspection shall occur upon written notice by BUYER to SELLER. SELLER shall meet with BUYER to inspect the Bonded Improvements within 5 days of receipt of such notice by SELLER. If SELLER fails to inspect within 5 days of receipt of such notice, then BUYER shall be relieved of any further liability for damages to Bonded Improvements unless BUYER and SELLER are unable to meet due to either party's unavailability. SELLER shall prepare a list of damages to the Bonded Improvements (which are the responsibility of BUYER as herein described) upon completion of final inspection.

11. Purchaser's Improvements. If BUYER, their heirs or assigns constructs a single family residence on the lot, the following stipulations which shall survive closing shall apply:

- a. In accordance with the Declaration of Restrictive Covenants, the exterior design and location of all improvements constructed by BUYER on the lot and all development plans for the lot shall be subject to review and approval by SELLER prior to construction on the lot.
- b. Applications are to be submitted in duplicate. All approvals or disapprovals shall be in writing.
- c. SELLER shall approve or disapprove submissions within 14 days of BUYERS submission. If no approval or disapproval is communicated within the requisite time period, requests shall be deemed approved. Reasons will be stated for any disapprovals.
- d. BUYER shall maintain their construction site in an orderly fashion and shall timely remove all debris and equipment. BUYER shall keep roads, parking areas, if any, and pedestrian access ways around the lot free from storage of equipment, building materials and dirt. The surface of the streets must on a daily basis be cleaned of mud or dust brought into the street during construction.
- e. SELLER will install lot corner markings on each lot sold.
- f. SELLER will provide the legal description for the lot at SELLER'S expense.
- g. All improvements constructed by BUYER on the lot shall conform to all applicable laws, codes, ordinances, and regulations and shall also comply with the Final Subdivision Plan (FSP) and development conditions applicable to the lot.

12. No Assignment. This agreement may not be assigned by either party without the prior written consent of the other party and any such attempt to assign shall be void.

13. Default. In the event SELLER fails to perform any covenant of this Agreement, BUYER shall have the right of specific performance against SELLER or the right to a refund of all monies paid hereunder.

If BUYER shall fail to make any payment herein provided for when due, or shall fail or refuse to carry out any other obligation of SELLER under the terms of this Agreement, the SELLER may pursue such remedies as are available by law.

14. Time of Essence. Time shall be of the essence in performance of any and all obligations imposed hereunder.

15. Effect of Agreement Following Closing. This Agreement shall remain in full force and effect after closing, and the doctrine of merger shall not apply.

16. Pennsylvania Law. This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania.

17. Heirs and Assigns. This Agreement shall be binding on the respective heirs, successors, personal representatives and assigns of the parties hereto.

18. Whole Agreement – Alteration or Amendment. The whole agreement of the parties is herein written and the parties are not bound by any agreement, understandings or conditions otherwise than are expressly set forth and stipulated hereunder. No change, alteration, amendment, modification or waiver or any of the terms or provisions hereof shall be valid unless the same be in writing and signed by the parties.

19. Additional Documents. The parties hereto agree to execute any and all documents which may become necessary in the future to effectuate the provisions of this Agreement.

20. Headings Not Part of Agreement. Any headings preceding the other several paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

21. Public Offering Statement. BUYER acknowledges receipt of a Public Offering Statement on \_\_\_\_\_, 200\_, as well as a copy of the Declaration which sets forth the various deed restrictions and covenants and the other Exhibits referenced in the Public Offering Statement .

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement the day and year first written above.

WITNESS:

STONEHOUSE DEVELOPMENT, L.P.

\_\_\_\_\_

By: \_\_\_\_\_

Sixty-Five LLC, General Partner  
Steven C. Balkey, Authorized Manager

WITNESS:

BUYER: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

WITNESS:

BUYER: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_