

EXHIBIT "B"

**By-Laws of Majestic Hills Homeowners Association, Inc.
(A Planned Community)**

BY-LAWS
OF
MAJESTIC HILLS HOMEOWNERS ASSOCIATION, INC.
(A Planned Community)

ARTICLE I

NAME AND LOCATION

Section 1. The name of the association is the MAJESTIC HILLS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION." The principal office of the association shall be located at 3625 Washington Pike, Bridgeville, PA 15017, Allegheny County, Pennsylvania, but meetings of the members and directors may be held at such places within the Commonwealth of Pennsylvania, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the Majestic Hills Homeowners Association, Inc., a Pennsylvania non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" and the "Board" shall mean and refer to the Board of Directors of the Association as provided in the By-Laws of the Association.

Section 3. "Common Area" shall mean all real property interests owned or leased (including easements) by the Association for the common use and enjoyment of the Members of the Association. The Common Area to be owned by the Association shall be bounded and described as set forth in the Declaration of Covenants, Conditions and Restrictions, as amended and supplemented.

Section 4. "Director" shall mean and refer to those persons elected or appointed pursuant to these By-Laws to serve on the Board.

Section 5. "Declarant" shall mean and refer to Majestic Hills, LLC, its respective successors and assigns, if such successors and assigns should acquire one or more Lot(s) which is part of the Property from the Declarant for the purpose of site development and/or construction, provided

such person or entity is engaged in the residential development and/or construction business at the Property.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, as amended and supplemented, applicable to the Property recorded in the Office of the Recorder of Deeds of Washington County, Pennsylvania.

Section 7. "Living Unit" shall mean and refer to any structure or to any portion of a structure situated upon the Property which is designed and intended for use and occupancy as a residence by a single family.

Section 8. "Lot" shall mean and refer to any plot of land shown upon the recorded subdivision map of the Property, as amended, (including any subplots established by letter, dotted lines or otherwise), or on any Exhibit attached to the Declaration of Covenants, Conditions and Restrictions as amended and supplemented, with the exception of the Common Area, upon or in which each separate Living Unit is constructed.

Section 9. "Member" shall mean and refer to those Owners and Occupants entitled to membership in the Association as set forth in Article III of the Declaration.

Section 10. "Occupant" shall mean and refer to the occupant of a Living Unit and shall be either the Owner or a lessee who holds a valid lease.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as a security for the performance of an obligation.

Section 12. "Property" shall mean and refer to the certain real property illustrated in Exhibit "A" of the Declaration of Covenants, Conditions and Restrictions and such additions thereto as may hereafter be brought within the jurisdiction of the Association by the Declarant or by vote of the Owners as provided in the Declaration.

Section 13. "Recorded" shall mean duly recorded in the office of the Recorder of Deeds of Washington County, Pennsylvania.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of the first Lot sale, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of

8:00 o'clock p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth ($\frac{1}{4}$) of all of the membership votes.

Section 3. Notice of Meetings. Except as otherwise provided in the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or persons authorized to call the meeting, by mail or delivering a copy of such notice to each Member at least fifteen (15) days in advance of such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of special meeting, the purpose of the meeting.

Section 4. Voting. Except as otherwise provided in the Declaration or By-Laws, all motions, resolutions, etc., of the Association shall be passed by a majority of the votes cast in person or by proxy, at a duly held meeting, without regard to classes of membership.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth ($\frac{1}{10}$) of all votes, regardless of class of membership, shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The Members at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of the holders of enough votes to leave less than a quorum.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot or Living Unit.

ARTICLE IV

BOARD OF DIRECTORS – SELECTION – TERMS OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of five (5) Directors, who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect five (5) Directors – three (3) Directors for a term of (1) year and two (2) Directors for a term of two (2)

years – and at each annual meeting thereafter the Members shall elect Directors for each expiring term for a term of three (3) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority of the membership vote of the Association. In the event of death, resignation or removal of a Director, or the vacancy of an office, his successors shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nomination Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Director, and two (2) or more Members of the Association who may or may not be Directors. The Nomination Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointments shall be announced at each annual meeting. The Nominating Committee shall make any such nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made in manner consistent with Article IV hereof. Such nominations may be made from among Members or non-members.

Section 2. Election. Election of the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of a business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF BOARD OR DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights, the right to use the recreational facilities and any or all of the rights and privileges of membership in the Association of a Member for any period during which any assessment against his Lot or Living Unit remains unpaid. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; assessments shall continue during suspension;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings or the Board of Directors;

- (e) Employ a professional manager, an independent contractor, or such other employees as they deem necessary, and to prescribed their duties;
- (f) Enforce adherence to the covenants, requirements and restrictions set forth in the Declaration and as established in rules, regulations and policies adopted by the Board; and
- (g) Such other powers as provided by law.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one fourth (¼) of all votes of the Members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any Lot of which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (d) Issue, or cause an appropriate officer to issue, upon demand by any Member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

- (g) Cause the Common Areas, access easements and rights of way, and planting areas to be maintained, as well as perform other duties imposed by the Declarations, the Articles of Incorporation and these By-Laws;
- (h) Carry out the duties of the Association with respect to maintenance as more full provided in the Declaration;
- (i) Enforce adherence to the covenants, requirements and restrictions set forth in the Declaration and as established in rules, regulations and policies adopted by the Board; and
- (j) Such other duties as provided by law.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause, by majority vote of the Directors, with or without a meeting. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the office he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments including checks and promissory notes on behalf of the Association.

Vice President

(b) The Vice President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceeding of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association and shall obtain the co-signature of one other officer of the Association on all checks, if and as the Board of Directors specifies from time to time; keep proper books of account; cause an annual review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy to each of the Members.

ARTICLE IX

COMMITTEES

Section 1. The Board of Directors of the Association shall appoint an Environmental Protection Board (EPB) as provided in the Declaration, and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, the By-Laws and any rules, regulations and/or written policies of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

INDEMNIFICATION

Section 1. Right to Indemnification. Except as prohibited by law, every Director and Officer of the Association shall be entitled as a right to be indemnified by the Association against expenses and any liability paid or incurred by such person in the defense of an actual or threatened claim, action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise, in which he or she may be involved in any manner, such as a party, witness or otherwise, by reason of such person being or having been a Director or Officer of the Association (such claim action, suit or proceeding hereafter being referred to as "Action"). Persons who are not Directors or Officers of the Association may be similarly indemnified in respect of service to the Association or to another such entity at the request of the Association to the extent the Board of Directors at any time designate any of such persons as entitled to the benefits of this Section. As used in this Article XI, "Indemnitee" shall include each Director and Officer of the Association and each other person designated by the Board of Directors as entitled to the benefits of this Article XI; "Expenses" shall include reasonable fees and expenses of legal counsel selected by an Indemnitee and approved by the Board or selected by the Board for Indemnitee; and "Liability" shall include amount of judgments, excise taxes, fines, penalties, and amounts paid in settlement.

Section 2. Right to Advancement of Expenses. Every Indemnitee shall be entitled as of right to have his or her Expenses in defending any Action paid in advance by the Association prior to

final disposition of such Action, provided that the Association receives a written agreement by or on behalf of the Indemnitee to repay the amount advanced if it should ultimately be determined that the Indemnitee is not entitled to be indemnified for such Expenses.

Section 3. Right of Indemnitee to Initiate Action. If a written claim under Section 1 or Section 2 of this Article is not paid in full by the Association within thirty days after such claim has been received by the Association, the Indemnitee may at any time thereafter initiate legal proceedings (an "Indemnitee Action") to recover the unpaid amount of the claim and, if successful in whole or in part, the Indemnitee shall also be entitled to be paid the Expense of prosecuting such Indemnitee Action. The only defense to an Indemnitee Action to recover a claim for indemnification under Section 1 shall be that the Indemnitee's conduct was such that under Pennsylvania law the Association is prohibited from indemnifying the Indemnitee for the amount claimed, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its Board of Directors, independent legal counsel and its Members) to have made a determination prior to the commencement of such Indemnitee Action that indemnification of the Indemnitee is proper in the circumstances, nor an actual determination by the Association (including its Board of Directors, independent legal counsel or its Members) that the Indemnitee's conduct was such that indemnification is prohibited by Pennsylvania Law, shall be a defense to such Indemnitee Action or create a presumption that the Indemnitee's conduct was such that indemnification is prohibited by Pennsylvania's Law. The only defense to an Indemnitee Action to recover a claim for advancement of Expenses under Section 2 shall be the Indemnitee's failure to provide the written agreement required by Section 2.

Section 4. Insurance and Funding. The Association may purchase and maintain insurance to protect itself and any person eligible to be indemnified hereunder against any Liability or Action, whether or not the Association would have the power to indemnify such person against such Liability or Expense by law or under the provisions of the Article XI.

Section 5. Non-Exclusivity; Nature and Extent of Rights. The rights to indemnification and advancement of Expenses provided for in this Article XI shall (i) not be deemed exclusive of any other rights, whether now existing or hereafter created, to which any Indemnitee may be entitled under any agreement or by-law, charter provision, vote of Members or Directors or otherwise, (ii) be deemed to create contractual rights in favor of each Indemnitee who serves the Association at any time while this Article XI is in effect (and each such Indemnitee shall be deemed to be so serving in reliance on the provisions of the Section), and (iii) continue as to each Indemnitee who has ceased to have the status pursuant to which he or she was entitled or was designated as entitled to indemnification under this Article XI and shall inure to the benefit of the heirs and legal representatives of each Indemnitee. Any amendment or repeal of this Article XI or adoption of any By-Law or provision of the Articles of Incorporation of the Association which limits in any way the right to indemnification or the right to advancement of Expenses provided for in this Article XI shall operate prospectively only and shall not affect any action taken, or failure to act, by an Indemnitee prior to the adoption of such amendment, repeal, By-Law or other provision.

Section 6. Partial Indemnity. If an Indemnatee is entitled under any provision of the Article XI to indemnification by the Association for some or a portion of the Expenses or a liability paid or incurred by the Indemnatee in the preparation, investigation, defense, appeal or settlement of any Action or Indemnatee Action but not, however, for the total amount thereof, the Association shall indemnify the Indemnatee for the portion of such Expenses or liability to which the Indemnatee is entitled.

ARTICLE XII

ASSESSMENTS

Section 1. As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provide for herein by non-use of the Common Area of abandonment of his Lot or Living Unit.

ARTICLE XIII

AMENDMENTS

Section 1. Vote. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy or by the Declarant at anytime as deemed necessary.

Section 2. Conflict of Interest. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, these By-Laws have been duly adopted this 1st day of
March, 2006.

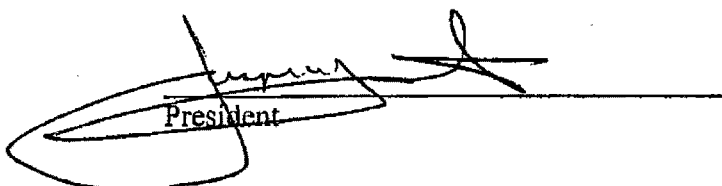

President

EXHIBIT "C"

Form Agreement of Sale

Lot _____
Date of Purchase Agreement _____

Community _____
Property Address _____

PENNSYLVANIA PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made as of the ___ day of _____, 20___, by and between NVR, INC. /a _____ ("Seller") and _____ (purchaser) and _____ (co-purchaser), presently residing at _____ (telephone) _____

(individually and collectively "Purchaser").

1. Consideration and Basis of Agreement. In consideration of the mutual promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which Purchaser and Seller hereby acknowledge, Seller agrees to sell and convey and Purchaser agrees to purchase and receive, subject to the terms and conditions set forth below, (i) the land described as follows:

Lot # _____, Section # _____, Subdivision _____, County or City of _____, Commonwealth of Pennsylvania (the "Lot"), together with (ii) a home to be built on the Lot by Seller according to Seller's plan known as the _____ Model, Set/Version # _____, including those options selected on the attached Master Selection Sheet (collectively, the "Property").

(a) The home to be erected hereunder may not necessarily conform to the model home or model home area. Model homes, if any, and decorating items and other items in or about the model home and model home area are for display purposes only and are not included in the Purchase Price. Further, any advertising or promotional materials used or displayed by Seller are for display purposes only and are not the basis of the bargain between Seller and Purchaser. The obligations of Seller under this Agreement shall be determined solely by reference to the plans and specifications referred to above and the terms of this Agreement.

(b) Seller makes no representation with respect to Lot grades, Lot area, options, facades, home lay-outs, location of walks, driveways, personal property, fences, patios, decks, recreational facilities, landscaping, or any other representations whatsoever, unless otherwise expressly provided herein.

(c) Seller makes no representation with respect to the home type, size, style, price range or location of other homes to be built in this subdivision or in other subdivisions in the vicinity of the Property. Purchaser acknowledges that all site plans, generalized development plans, plats or renderings which may have been exhibited showing or indicating home types, the siting of homes on lots, grading or landscaping are projections only and are not binding upon Seller, and no representative of Seller is authorized to make any representation with regard to these items. In addition, Seller makes no representation as to the location of utility transformers and utility pedestals on the Property as the location of these facilities is determined solely by the utility companies and not the Seller.

(d) Attached hereto and incorporated as part of this Agreement is a Master Selection Sheet which includes all options selected by Purchaser. Purchaser acknowledges and agrees that the Master Selection Sheet accurately reflects all options selected by Purchaser as of this date. Purchaser may request changes to the Master Selection Sheet and such requests for changes shall be approved or rejected at the sole discretion of the Seller. All requests for changes shall be processed pursuant to the Change Order Policy attached hereto and made a part hereof. The Purchase Price shall be increased or decreased as applicable to reflect all costs associated with any approved changes.

(e) Purchaser acknowledges that Purchaser has reviewed the home site, the home construction drawings (blueprints), the home site and grading plan, and the record plat of subdivision (unless such plat has not been recorded as provided for by the Addendum attached hereto). Purchaser further acknowledges that there are many accepted methods of calculating the square footage of structures. In its marketing brochures and documents, Seller may use different methods of calculating the square footage of the home and makes no representations as to the actual square footage of the home, regardless of the method utilized.

2. Sales Price and Payments. Purchaser agrees to pay to Seller for the Property, including the options listed on the Master Selection Sheet, the sum of _____ Dollars (\$ _____) (the "Purchase Price") payable as follows:

- (a) Cash earnest money deposit upon Purchaser's signing of this Agreement.....\$ _____
- (b) Non-refundable advance for specific selections made in the Master Selection Sheet\$ _____
- (c) An additional payment in cash due on or before _____.....\$ _____
- (d) The balance in immediately available funds on the date of Settlement hereunder.....\$ _____

The term "Deposit" shall mean all amounts due from Purchaser to Seller pursuant to paragraphs 2(a) and 2(c). Any checks accepted by Seller shall be subject to collection and payment. All refunds or credits to Purchaser of the Deposit shall be without interest.

3. Mortgage Loan. Within seven (7) days after Seller's execution of this Agreement, Purchaser, at Purchaser's expense, shall submit an application for a conventional PHA/VA loan to a mortgage lender, reasonably acceptable to and approved by Seller (the "Lender"), in the principal amount of \$ _____ with a maximum interest rate of _____% and a minimum term of _____ years. Purchaser agrees to diligently apply for, negotiate and attempt in good faith to obtain a mortgage loan commitment from the Lender, in a form reasonably acceptable to Seller (the "Commitment"). Purchaser authorizes Seller to communicate with the Lender and disclose any information regarding this transaction in order to assist in the loan process. Purchaser shall be responsible for keeping Seller informed of the status of Purchaser's loan application. If Purchaser, in Seller's sole discretion, does not use good faith in attempting to procure a mortgage loan, Purchaser shall be in default of this Agreement and Seller may exercise any remedies it may have hereunder.

If, within forty five (45) days from the date this Agreement has been signed by both Purchaser and Seller (the "Commitment Period"), Purchaser has not obtained a Commitment, Purchaser shall immediately notify Seller and Seller may, at its sole discretion, elect to terminate this Agreement by written notice to Purchaser. If the Commitment is not issued due, in Seller's sole judgment, to Purchaser's lack of good faith efforts to obtain the Commitment, Purchaser shall be in default and Seller may exercise any remedies it may have under this Agreement, including, but not limited to, retention of the Deposit as liquidated damages. If the Commitment is not issued in spite of Purchaser's good faith efforts, the Seller may terminate the Agreement and, in that event, Seller shall refund the Deposit expressly conditioned upon Purchaser's execution of a Mutual Release Agreement after which neither party shall have any further obligation or liability to the other. In the event Seller does not terminate the Agreement, Seller, at its option, may extend the Commitment Period for additional thirty (30) day periods during which time Purchaser shall continue to diligently seek financing in good faith. Purchaser shall continue to seek satisfaction of this financing contingency and Seller shall have the right, but not the obligation, to attempt to obtain for Purchaser a Commitment in the amount set forth above at prevailing market rates based upon the Purchaser's financial situation and creditworthiness. Purchaser shall cooperate with Seller and the Lender as may be necessary in order to effectuate the issuance of such Commitment and to close said loan, all at the sole expense of Purchaser. If Seller has extended the Commitment Period and upon the expiration of all such extended Commitment Periods a Commitment has still not been obtained despite Purchaser's continued good faith efforts, then this Agreement may be terminated at Seller's sole discretion. If Seller terminates this Agreement as provided herein, Seller shall refund the Deposit after which neither party shall have any further obligation or liability to the other. In no event shall Seller have any liability to Purchaser whatsoever on account of any lender's refusal to approve Purchaser's loan application or to make the loan after issuance of a Commitment for any reason, other than the obligation of Seller to refund the Deposit to Purchaser if required by this Agreement.

After issuance and acceptance of the Commitment, Purchaser shall continue to work in good faith with the Lender to insure that the Commitment does not lapse or is not terminated. The Commitment shall not be modified by Purchaser without the prior written consent of the Seller. If the Commitment is revoked, lapses or is terminated by the Lender for reasons caused by Purchaser, Purchaser shall be in default of this Agreement and Seller shall have the right to exercise any remedies it may have under this Agreement, including, but not limited to, retention of the Deposit. Upon receipt by Purchaser of the Settlement Notice defined in paragraph 9, Purchaser shall not change Lender or make or agree to any changes to the terms of the Commitment which could affect or delay Settlement. If the Commitment is contingent on any conditions imposed by the Lender (including, but not limited to, the lease of an existing home, payoff of an existing mortgage, or payment of other debt obligations), the Purchaser is responsible for meeting all such conditions and in the event the Lender's contingency is not met for any reason, Purchaser shall be in default of this Agreement and Seller shall have the right to terminate the Agreement and exercise any remedies it may have including, but not limited to, retention of the Deposit. If the Commitment is terminated by the Lender in spite of Purchaser's good faith efforts, Seller shall terminate the Agreement and refund the Deposit only upon Purchaser's execution of a Mutual Release Agreement after which neither party shall have any further obligation or liability to the other.

If the Lender requires preparation of a home location survey, Seller shall prepare such survey at Purchaser's expense. Unless required by the appropriate jurisdiction, the home location survey shall not include staking of Lot boundaries.

4. Limited Warranty. Purchaser acknowledges that he has been afforded the opportunity to review Seller's limited warranty prior to execution of this Agreement, has received a copy of the warranty and agrees to accept this warranty as the sole warranty being given to Purchaser. **THE LIMITED WARRANTY OF THIS AGREEMENT IS THE ONLY WARRANTY APPLICABLE TO THE PROPERTY. NO IMPLIED WARRANTY (WHETHER OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE) IS GIVEN ON PORTIONS OF THE PROPERTY OTHER THAN CONSUMER PRODUCTS. THE SELLER HAS NOT AUTHORIZED ANY PERSON TO MODIFY THE TERMS OF THE WARRANTIES DESCRIBED HEREIN. THE SELLER ASSUMES NO LIABILITY OR OBLIGATIONS ON ACCOUNT OF REPRESENTATIONS MADE BY ANY OTHER PERSON. THE OBLIGATIONS OF SELLER ARE LIMITED SOLELY TO THE REPAIR OR REPLACEMENT OF THE DEFECTIVE COMPONENT AND DO NOT EXTEND TO ANY DAMAGE OR HARM RESULTING THEREBY OR THEREFROM. THE SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES OR PERSONAL INJURIES ARISING FROM BREACH OF ANY OF THE LIMITED WARRANTIES DESCRIBED IN THIS AGREEMENT. IF ANY DEFECT IS DISCOVERED DURING THE APPLICABLE WARRANTY PERIOD, SELLER SHALL HAVE THE EXCLUSIVE RIGHT TO DETERMINE WHETHER THE DEFECT SHALL BE CORRECTED BY REPAIR, ADJUSTMENT OR REPLACEMENT. NO LIMITED WARRANTY CONTAINED HEREIN COVERS A DEFECTIVE PORTION OF THE PROPERTY WHICH HAS BEEN SUBJECT TO ALTERATION, MISUSE OR ACCIDENTAL DAMAGE (CAUSED BY PERSONS OTHER THAN SELLER'S EMPLOYEES AND AGENTS) OR HAS NOT BEEN AFFORDED REASONABLE CARE.**

5. Preconditions to Construction. Seller shall not be required to commence construction until receipt by Seller of:

- (a) All cash payments as required in paragraph 2 above within the time provided.
- (b) A written Commitment signed by Purchaser, as required within the time period indicated in paragraph 3 above.
- (c) All selectable options, color selections and exterior selections.
- (d) All necessary governmental approvals and permits.

In the event Seller elects to commence construction prior to the receipt of (a), (b) or (c) above, Purchaser shall in no way be relieved of its obligations hereunder.

6. Completion of Construction.

(a) In the event of delays resulting from causes beyond the Seller's reasonable control and occurring without its fault or negligence, including, without limitation, acts or defaults of Purchaser; acts or defaults of any developer, contractor, subcontractor or their employees; strike, lockout, or other labor trouble of any kind; delays caused by governmental controls or procedures, regulations, restrictions or moratoriums; governmental refusal to issue any necessary permits for construction on the Property; acts of suppliers of labor or material; delays or acts of utility service providers; adverse weather conditions; damage caused by fire, storm, earthquake, war, acts of terrorism or other casualty; or any form of act of God, the time for Settlement (as defined in paragraph 9) shall be extended for a period of time equal to the length of the delay attributable to such cause, and Seller shall not be liable for damages for any such delay or failure to perform. In the event of a moratorium which is in place for ninety (90) days or longer, Seller shall have the option of terminating this Agreement and refunding the Deposit paid to Purchaser after which the parties shall have no further obligations or rights under this Agreement.

(b) In the event that the Property shall be Substantially Complete on the Settlement date, Settlement shall be completed as provided in paragraph 9 of this Agreement. Substantially Complete shall be defined as the issuance by the local jurisdiction of a temporary or conditional certificate of occupancy or other document permitting residential use ("Residential Use Permit") even if such items as landscaping, exterior concrete (including, but not limited to, footings needed for deck construction), driveways, final grading, exterior painting, and other minor punch-list items may not be completed. Purchaser agrees to sign and deliver any waiver or other

document that may be required by the local jurisdiction in order to obtain a Residential Use Permit prior to completion of the above listed items. Seller agrees that any such uncompleted items shall be completed as soon as practicable, weather conditions permitting. Seller further reserves the right to enter onto the Property after Settlement to complete such exterior items without the prior approval of Purchaser.

(c) Purchaser and Seller shall inspect the Property prior to Settlement ("Pre-Settlement Demonstration") and shall note, on the Pre-Settlement Inspection Report provided by Seller, those items which, in Seller's sole discretion, require completion or corrective action pursuant to this Agreement. Seller shall undertake to complete all such items prior to Settlement; however, Settlement shall not be delayed, nor shall funds be held in escrow, if such work is not completed before Settlement.

(d) Purchaser shall have the right to schedule a private home inspection ("Inspection") of the Property by an independent private home inspector, at Purchaser's sole expense, not less than 48 hours prior to the Pre-Settlement Demonstration. The Inspection must be performed by a full member in good standing of a national home inspection association in accordance with the ethical standards and code of conduct or practice of that association. Any home inspector must have insurance coverage acceptable to Seller. Purchaser unconditionally agrees to indemnify, defend and hold harmless Seller from any injury to person or property occurring as the direct or proximate result of the Inspection. If Purchaser elects to hire an independent private home inspector, Seller shall reasonably cooperate in scheduling an Inspection; however, the Inspection must be scheduled with no less than 48 hours advance notice to Seller and the Inspection must take place during normal construction working hours. The Inspection must be coordinated with the Seller's representatives in accordance with their schedules and shall in no way interfere with construction or delay the construction schedule. Any deficiencies identified by the Inspection shall be promptly submitted to Seller in writing along with a certified report by the home inspector. In the event any deficiency identified by the Inspection is not in compliance with local codes or acceptable construction practices as defined in Seller's limited warranty, Seller shall correct such deficiency in a timely manner and the correction of any such deficiency shall not delay Settlement unless the deficiency is of such a nature as to make the Property uninhabitable. Seller reserves the right to address any deficiency in accordance with the warranty plan provided by Seller.

(e) Seller shall have the right to enter upon the Property at any time after Settlement for the purpose of making exterior changes to the Lot or to adjacent lots and improvements thereon, including but not limited to grading and drainage system changes and the removal or planting of trees.

(f) In the event Seller, in its sole discretion, encounters, upon excavation or installation of footings and foundation, any unusual or difficult ground conditions on the Lot, Seller may notify Purchaser and offer to Purchaser one or more of the following options: (i) choosing an alternative site from among those offered by Seller, if one is available; (ii) signing a Mutual Release Agreement and receiving a refund of the Deposit previously paid by Purchaser, thereby terminating this Agreement and relieving both Seller and Purchaser of their respective obligations hereunder; (iii) agreeing with Seller upon an increase in the Purchase Price reflective of the Lot conditions and proceeding with performance under this Agreement.

(g) Except as set forth in subsections (c) and (d) of this paragraph 6, Purchaser or Purchaser's agent or representative may not have access or entry to the Property or the construction site during construction, nor may Purchaser store any possessions in or about the Property or the construction site prior to Settlement and delivery of possession to the Purchaser. Any violation of this provision may, at the election of Seller, be considered a default of this Agreement and, in addition to any other remedies available to Seller, Seller may terminate this Agreement and, in such event, the Deposit and any other amount paid toward the Purchase Price and options may be retained by Seller as fixed and liquidated damages. Further, should Purchaser violate this provision, Purchaser will be deemed to be trespassing and Seller assumes no liability or responsibility for any injuries suffered by Purchaser while on the Property or construction site, and Purchaser indemnifies Seller from any and all loss or damage arising therefrom.

7. Seller's Changes.

(a) Seller shall have the right to substitute similar materials of substantially equivalent quality, in Seller's sole discretion.

(b) Seller reserves the right to make changes in the plans and specifications, for the purposes of mechanical installations, building code and site requirements, and reasonable architectural design improvements subsequent to the date of this Agreement.

(c) The location and ground elevation of the home on the Lot and the necessity, if any, to reverse the plan of the home to conform to the existing contours, are determined by Seller, in its sole discretion.

(d) Subject to any architectural guidelines applicable to the subdivision or stated in the homeowner's association documents, Seller reserves the right to refine, revise or change the housing types to be sold in any subdivision. Purchaser acknowledges that the siting of the homes in specific locations within a subdivision is subject to change, however any sitings shall conform to all applicable zoning and community boundary and set-back requirements.

(e) Purchaser acknowledges that the timing of construction, location, existence, size and features of lot lots, trails, community entry features and monuments, and recreational facilities within the community (collectively the "Facilities"), if any, are subject to change. No representation as to the timing, location, size or features of such Facilities are part of this Agreement.

8. **Adjacent Land Uses.** Seller makes no representations as to the proposed or approved uses for land adjacent to the Property or the subdivision which contains the Property. Governmental regulations and policy affecting the Property and adjacent land uses are subject to change and are beyond the control of the Seller. For more information regarding these issues, Purchaser should contact the appropriate Government Agencies. Seller is under no obligation to provide Purchaser with copies of the preliminary or final site plans, the record plat, blueprints, general plan maps or other planning documents which may affect the planning and development of the surrounding area. Copies of such documents can be obtained at the appropriate county or city planning office. Seller warrants that the Property is in compliance with the applicable zoning regulations. Purchaser acknowledges that Seller has made no representation other than those contained in this Agreement as to current or proposed zoning of any land, and that no agent of Seller is authorized to do so.

9. **Settlement and Delivery.** Settlement shall be held at a place selected by Seller at which time, upon payment in full of the Purchase Price set forth in paragraph 2 hereof, Seller shall execute and deliver a special warranty deed to the Purchaser conveying the Property and possession of the Property shall be delivered to Purchaser ("Settlement"). Settlement is estimated to occur on or about _____ (the "Estimated Settlement Date"). The Estimated Settlement Date is provided merely as a rough guideline and is subject to change. Seller shall determine a specific date and time when Settlement shall actually occur (the "Actual Settlement Date") at a later date, based upon the actual construction schedule of the subdivision and the Property. In no event shall Seller be considered in breach or liable for any damages whatsoever for any difference in time between the Estimated Settlement Date and the Actual Settlement Date. Not less than ten (10) days in advance, Seller shall provide written notice to Purchaser of the Actual Settlement Date and location of Settlement (the "Settlement Notice"). If the Actual Settlement Date is changed by Seller, then Seller shall provide subsequent written or oral notice to reschedule the Actual Settlement Date no less than two (2) days prior to the

rescheduled Actual Settlement Date. In the event Purchaser does not make full Settlement upon the Actual Settlement Date, Purchaser shall be in default of this Agreement and Seller may exercise any remedies it may have as provided in paragraph 12 hereunder. In the event Settlement has not occurred within two (2) years from the date this Agreement has been signed by both Purchaser and Seller (the "Outside Delivery Date"), Purchaser or Seller may terminate this Agreement and the Deposit shall be returned to Purchaser upon Purchaser's execution of a Mutual Release Agreement, after which neither party shall have any further obligations or liability to the other. The Outside Delivery Date shall be extended for the period of time any circumstances provided for in paragraph 6(a) hereof delay Settlement. This paragraph shall not survive Settlement.

10. Payment of Closing Costs and Mortgage Discount Points; Selection of Settlement Agent.

(a) Purchaser shall pay all Closing Costs associated with Settlement, including all recordation taxes and any state or local transfer taxes, except as otherwise provided in paragraph 10(b) below. For purposes of this Agreement, Closing Costs are defined as all costs associated with Settlement including, but not limited to, mortgage discount points, escrow and pro rata items such as tax proration and tax escrows, fire insurance premiums, mortgage insurance premiums, mortgage interest, title examination, survey and lender fees, state and local transfer and recordation taxes and stamps, grantor's taxes, title insurance binder costs and policy premiums, costs of document preparation, attorneys' fees, settlement fees, notary fees and messenger fees.

(b) Should Purchaser select NVR Mortgage Finance, Inc. for mortgage financing Seller shall pay the Closing Costs or other incentives listed below, at Settlement.

(i) Up to \$ _____ towards mortgage discount point(s) provided Purchaser makes application in connection with the financing required under Paragraph 3 hereof;

(ii) Up to \$ _____ towards any Closing Costs;

(iii) \$ _____ to be applied towards _____

The amount of the contributions shown in (i) and (ii) above shall not exceed the actual amount of mortgage discount points and/or Closing Costs charged. If the total amount of mortgage discount points and/or Closing Costs actually charged are less than the contributions shown, the amount of the contribution shall be reduced accordingly. In the event Purchaser is obtaining a VA guaranteed or FHA loan, any amount set forth in (ii) above shall be applied first to any Closing Costs that are required by the Lender to be paid by Seller.

(c) In the event Purchaser elects to use a mortgage lender other than NVR Mortgage Finance, Inc., Seller's cash incentives and/or closing cost contributions listed in paragraph 10(b) above shall be reduced by \$ _____ and will not include _____ . In such event, the Purchase Price as defined in Paragraph 2 shall be increased from \$ _____ to \$ _____. In addition, Purchaser's election to use a mortgage lender other than NVR Mortgage Finance, Inc. shall not delay Settlement. If Purchaser elects to use a lender other than NVR Mortgage Finance, Inc., Settlement hereunder shall not be deemed complete until all funds have been received by the Seller and the deed has been recorded.

(d) All taxes and utility charges, including, without limitation, sewer and water benefit charges and other public dues, taxes and charges are to be adjusted to the date of Settlement and thereafter assumed by Purchaser. The sewer and water home connection fees assessed by any governmental authority or agency having jurisdiction over the Property, if any, shall also be adjusted to the date of Settlement and thereafter assumed by Purchaser. Purchaser shall have all utility services to the Property transferred into Purchaser's name, such transfer to be effective no later than the Actual Settlement Date.

11. Title.

(a) At Settlement, title to the Property shall be good and marketable, fully insurable by a reputable American Land Title Association (ALTA) title insurance company subject, however, to (i) easements, covenants, conditions and restrictions of record, (ii) any statutory lien for ad valorem taxes which are not yet levied, published, due or payable, (iii) any homeowner's association documents restricting the use and enjoyment of the Property, (iv) zoning and other applicable laws and regulations, and (v) such facts as an accurate survey and personal inspection of the Property would reflect, provided same do not render title uninsurable. The Property is not subject to any ground rent. If title cannot be delivered at Settlement in compliance with this paragraph, and upon receipt of written notice by Purchaser, Seller may, but is not obligated to, determine that any title defects are of such character that they may readily be remedied by legal action. In the event Seller determines that such legal steps are a reasonable means to perfect title to the Property, such actions, if Seller elects to undertake same, must be taken promptly by Seller at Seller's sole expense, in which case the time herein specified for Settlement will be extended for the period of time necessary for such action. If Seller cannot perfect title or is unable to perfect title after taking reasonable legal actions, Seller shall promptly notify Purchaser in writing and Purchaser shall have the right, at Purchaser's option, to either (i) terminate this Agreement by written notice to Seller within ten (10) days after receipt of Seller's notice, or (ii) waive any title defects and proceed to Settlement. Purchaser shall be deemed to have accepted title at the time Settlement occurs and Seller shall be expressly released from all liability or damages by reason of any defect in or failure of title. If Purchaser terminates the Agreement for title defects, Seller shall refund the Deposit upon Purchaser's execution of a Mutual Release Agreement, after which neither party shall have any further obligation or liability to the other. This subparagraph shall not survive Settlement.

(b) The Property is sold subject to easements, if any, created or to be created, prior to or after Settlement, for the installation of utilities, stormwater management or drainage facilities, street lights and/or additional covenants, encumbrances, restrictions or easements which may be placed on record by the Seller, or the developer of the Property, before or after execution of this Agreement, for the benefit of the Property and/or the community of which it is a part without the consent of Purchaser and for no additional consideration (monetary or otherwise). If such easements are required after Settlement, Purchaser agrees to cooperate with Seller, for no additional consideration (monetary or otherwise), in executing and delivering any and all documents related to such easements when and as requested. After Settlement, Purchaser grants Seller, or its designees, the right to enter upon the Lot and permission to perform all site work as may be required by local governmental authorities, for no additional consideration (monetary or otherwise).

(c) Purchaser is purchasing a completed home from Seller and Seller is not acting as a contractor for Purchaser in the construction of the home. Purchaser shall acquire no right, title or interest in the Property or the home except the right and obligation to purchase the completed home in accordance with the terms of this Agreement. Equitable title shall remain vested in Seller until delivery of the deed at Settlement.

12. Default.

(a) If the Purchaser shall fail to make full and timely Settlement hereunder or shall otherwise be in breach or default of any provision under this Agreement, the Purchaser acknowledges, understands and agrees that the damages that will or may be suffered by the Seller as a result of such breach or default by the Purchaser are uncertain and not reasonably calculable with mathematical certainty. Accordingly, the Seller reserves the right to retain the Deposit as liquidated damages and not as a penalty; and in such event, Purchaser and Seller shall be relieved from further liability hereunder. In the alternative, Seller may retain the Deposit for the payment of damages and pursue such legal and/or equitable remedies the Seller may have on account of Purchaser's breach or default, including, but not limited to, specific performance. In the event Purchaser fails to take title to the Property on the Actual Settlement Date as required in this Agreement, then, Seller may, in its sole discretion, agree to extend the time of Settlement. In the event Purchaser does not settle on the Actual Settlement Date, regardless of whether or not Seller has agreed to extend the time of Settlement, Purchaser shall pay a late settlement charge computed at the rate of 1-1/2% of the unpaid balance of the Purchase Price per month. The full monthly amount of the late charge shall be assessed on the day after Settlement was to have occurred and shall be assessed every thirty (30) days thereafter and shall be paid in full on the date that Settlement actually occurs. However, this late settlement charge shall not be construed as a waiver on the part of Seller of any of Seller's rights hereunder or of any legal or equitable remedies Seller may have in seeking enforcement of this Agreement and/or the recovery of Seller's damages. No interest rate charged herein shall be in excess of that permitted by law. The parties constituting Purchaser shall be jointly and severally liable hereunder. In the event that Purchaser breaches or defaults under this Agreement, Purchaser shall be responsible for all attorneys fees incurred by Seller in enforcing this Agreement.

(b) In the event of a breach of this Agreement by Seller, Purchaser's sole remedy under this Agreement shall be the recovery of the Deposit. UNLESS OTHERWISE PROHIBITED BY APPLICABLE LAW, IN NO EVENT WILL SELLER BE LIABLE FOR ANY NON-ECONOMIC DAMAGES OR ANY PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR DAMAGES FOR DELAYS AND PURCHASER HEREBY RELEASES AND WAIVES ANY CLAIMS FOR SUCH DAMAGES. PURCHASER HEREBY RELEASES AND WAIVES ANY RIGHT TO DEMAND OR PURSUE THE REMEDY OF "SPECIFIC PERFORMANCE" BY SELLER OF THIS AGREEMENT.

13. **No Contingencies.** Unless otherwise provided by addendum attached hereto, this Agreement in no way is contingent upon the sale, rental, settlement or other disposition of any other property owned by Purchaser.

14. **Naturally Occurring Gases, Arsenic and Other Metals.** A small percentage of homes in the United States experience elevated levels of radon gas and/or methane gas or other naturally occurring gases. These are naturally occurring gases which rise up and escape from the soil. In addition, the U.S. Geological Survey has shown that elevated levels of arsenic have been found throughout the Commonwealth of Pennsylvania. These phenomena can occur in any home, regardless of the type of home or who builds it. The Seller claims no expertise in the measurement or reduction of these gases in homes or arsenic or other elemental metals which may exist in the ground, nor does Seller provide any advice to homeowners as to acceptable levels or possible health hazards of the gases, arsenic, or other elemental metals. As to radon, homeowners may wish to obtain a test kit that meets the EPA protocol for measuring the level of radon gas in their homes. EPA publishes a list which provides information on EPA-approved suppliers of such test kits. Purchaser agrees that this Agreement is not conditioned upon testing results for naturally occurring gases, arsenic or other elemental metals, or the presence or lack of such gases, arsenic or other elemental metals affecting the Property. Upon Settlement, Purchaser shall be deemed to have accepted the Property as to the presence of these gases and/or arsenic and/or other elemental metals now or in the future and Seller shall be released from any and all claims related to or arising from the presence of any naturally occurring gases, arsenic or other elemental metals.

Purchasers seeking further information should contact the U.S. Environmental Protection Agency or their state environmental protection office.

15. Energy Efficiency and Possible Biological Impurities.

(a) Modern homes, including the Property, are built tightly to slow the escape of warm air in the winter and the escape of cool air in the summer. These tight construction techniques also help reduce the entrance into the home of certain naturally-occurring, organic, often airborne, and often invisible contaminants such as (without limitation) animal dander, dust, dust mites, fungi, all forms of mold, bacteria and pollen (collectively, "Biological Impurities"). However, Biological Impurities brought into the home (through the natural circulation of air, generated by or carried into the home by or upon people, animals or things, including building materials) can become trapped and actively grow in the tightly constructed home unless they are affirmatively removed. Moisture, either from leaks or from exposure to the elements during the construction process or after occupancy by the Purchaser, can lead to an addition in those Biological Impurities in the home. For instance, as an example of the foregoing and without limitation, moisture from leaks into the interior of the house and the resulting wood rot (to the extent such leaks and wood rot would not be covered by Seller's limited warranty), either alone or in combination with certain variables such as the temperature and the type of cellulose wood products, can cause the development of mold and other Biological Impurities to develop.

(b) Within the home, Biological Impurities can cause allergies or other more serious health effects for the occupants. According to some experts, Biological Impurities cannot be completely eliminated or excluded from residential construction such as the Property. Notwithstanding the immediately preceding sentence, it is Purchaser's sole responsibility after Settlement to implement periodic, careful inspections and maintenance procedures in an effort to minimize the existence and effect of Biological Impurities within the Property. The Seller does not claim any expertise regarding the identification, remediation or possible health consequences of Biological Impurities; if Purchaser would like more information, Purchaser should contact the U.S. Environmental Protection Agency, state or local authorities.

(c) The Seller has not made, created or invited (nor does it intend to make, create or invite) any warranty or any other expectancy, either express or implied, with respect to any Biological Impurities. Purchaser agrees for themselves, and for their family, invitees, tenants, agents, heirs, successors, executors, subrogees, attorneys, assigns and any other persons who may have occasion to visit or reside in the Property (collectively, the "Purchaser Group") that Seller, its subcontractors and suppliers, shall not be liable for any damages (whether direct or consequential) or for any injury (including, but not limited to, any personal injury) to Purchaser or to any member of the Purchaser Group, regardless of legal theory (including, but not limited to, Seller's negligence) arising out of or relating to any real or alleged Biological Impurities located in or at the Property. Accordingly, Purchaser (for itself and the Purchaser Group) releases Seller, its subcontractors and suppliers, and any and all other persons and entities of and from any and all present and future claims, damages and causes of action, regardless of legal theory, that arise out of or in any way relate to the real or alleged presence of Biological Impurities in or at the Property (collectively, "Biological Impurities Claims"). To the maximum extent permitted by law, Purchaser (for itself and for the Purchaser Group) hereby waives (and is estopped to assert) all claims to the contrary. Purchaser further acknowledges that nothing to the contrary has been promised by Seller or otherwise made any part of the basis of the bargain between the parties in regards to this transaction and, upon request, Purchaser shall sign a separate confirmatory

addendum and reaffirmation at Settlement to further memorialize that this Paragraph accurately states and shall remain the mutual intent of the parties. Purchaser hereby expressly covenants and agrees to pay to and indemnify Seller and its subcontractors and suppliers, for any and all damages and/or costs (including, without limitation, attorney's fees and court costs) incurred by Seller and/or its subcontractors and/or its suppliers as a result of any Biological Impurities Claims made, or attempted to be made, by any member of the Purchaser Group. In addition, the deed of the Property to be delivered by Seller to Purchaser at Settlement may contain a covenant running with the land and binding upon the Property which sets forth the waiver, release and indemnification provisions contained herein. Purchaser agrees to take title to the Property subject to this covenant which shall be binding upon Purchaser and the Purchaser Group. This provision shall survive Settlement and shall not merge with or into the deed of conveyance.

16. Oral Statements or Promises. Unless oral statements or promises are included in this Agreement, they may not be enforceable under law. By including the terms below, the Purchaser and Seller are making them part of this Agreement. THIS SECTION SHOULD NOT BE LEFT BLANK IF YOU ARE RELYING ON ANY ORAL STATEMENTS OR PROMISES. The following oral statements or promises have been made by the Seller, the Seller's agent or the Purchaser. Performance of each of these statements or promises is incorporated into each party's obligation to fully perform the terms of this Agreement:

17. Insulation. The type, size and R value of insulation to be installed in your new home shall be at least as shown on the chart below. R means resistance to heat flow; the higher the R value, the greater the insulation power.

LOCATION	R-VALUE*	TYPE**
Basement Slab - W/O Only	R-5	2" V & H Rigid Foam
Foundation Walls S.F.D.	R-11	3 1/2" Fiberglass Batt
Exterior Walls	R-13	3 1/2" Fiberglass Batt
Walls Adjacent to Unfin. Space	R-11	3 1/2" Fiberglass Batt
Garage Common Walls	R-13	3 1/2" Fiberglass Batt
Floors at Overhangs (10" Frame)	R-30	9 1/2" Fiberglass Batt
Floors at Overhangs (8" Frame)	R-19	6 1/2" Fiberglass Batt
Floors over Garages (10" Frame)	R-30	9 1/2" Fiberglass Batt
Floors over Garages (8" Frame)	R-19	6 1/2" Fiberglass Batt
Attics (flat)	R-30	12 1/4" Blown Fiberglass
Attics (cathedral)	R-30	9 1/2" Fiberglass Batt

* This is a minimum rating; the R-value may be higher if required by local jurisdictions.

** Thickness of fiberglass insulation provided is based on Owens Corning® fiberglass insulation. Thickness may vary from manufacturer to manufacturer; however the R value will remain the same.

18. Brokerage. The legislature and the State Real Estate Commission require that certain disclosures be included in agreements for the sale of real property. The following disclosures are made in accordance with Title 49, Section 35.333 of the Pennsylvania Code:

(a) The zoning classification of the property is _____. Unless the Property is zoned solely or primarily to permit single-family dwellings, the failure of the Agreement to contain the zoning classification shall render the Agreement voidable at the option of the Purchaser and, if voided, deposits tendered by the Purchaser shall be returned to the Purchaser without a requirement of court action.

(b) It is expressly understood and agreed between the parties that NVR, Inc. and any subagent or broker and their licensees involved in the transaction are agents for the Seller, not the Purchaser, (unless otherwise disclosed in writing) and that this was disclosed during the initial interview. No agent of Seller has authority to make any representations, warranties, covenants or agreements in respect to the Property. Seller's agent may perform services for Purchaser in connection with financing, insurance and document preparation, and is hereby specifically authorized to place the title insurance for this purchase with a reputable title insurance company. Purchaser authorizes Seller's agent to prepare documents and other conveyancing services for settlement.

(c) Payments of money received by the broker on account of the sale - regardless of the form of payment and the person designated as payee (if payment is made by an instrument) - shall be held by the broker in an escrow account pending consummation of the sale or a prior termination thereof.

(d) A Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.

(e) Access to a public road may require issuance of a highway occupancy permit from the Department of Transportation. Seller shall arrange for any required highway occupancy permits.

19. Community/School Information. Seller includes certain information in its marketing, advertising, promotional and sales documents regarding the community for informational purposes only and such information is given to the best of Seller's knowledge as of the date the information is given. Seller makes no warranties as to the accuracy or timeliness of this information and Purchaser acknowledges that this information is subject to change, that Purchaser is not relying upon such information in entering into this Agreement, and none of such information is a part of this Agreement. School district and boundary information may be obtained by contacting the appropriate County or City School Board.

20. Subordination. Purchaser agrees that its rights under this Agreement are and shall be subordinate to those of Seller's construction lender for this Property, and Purchaser further agrees that this Agreement is and shall be subordinate to any lien placed on the Property by Seller's construction lender.

21. **Successors and Assigns.** This Agreement shall be binding on the parties and their heirs, legal representatives and permitted assigns. This Agreement cannot be assigned by Purchaser without the prior written consent of the Seller, which may be withheld at Seller's sole discretion.

22. **Risk of Loss.** Seller assumes the risk of loss or damage to the Property by fire or other casualty until Settlement. If such loss or damage occurs, Seller may terminate this Agreement and refund the Deposit to Purchaser without further liability to Purchaser. Purchaser shall have no right to or interest in fire or other casualty or hazard insurance proceeds.

23. **Time of the Essence.** TIME IS OF THE ESSENCE FOR THIS AGREEMENT. This means that the failure to do what is required within the timeframes specified in this Agreement is a default under the Agreement.

24. **Picture Release.** Purchaser hereby gives Seller, its successors and assigns, full permission to use, publish, and copyright photographic prints and any other reproductions of the Property, or any part thereof, for advertising, publicity, and for any and all bona fide commercial purposes whatsoever.

25. **Miscellaneous.** The provisions of this Agreement shall survive the execution and delivery of the deed and shall not be merged therein, except as otherwise provided herein. All notices and communications under this Agreement shall be in writing, except as otherwise provided herein, and shall be deemed duly given on the date such notice is (i) mailed by U.S. postal service regular mail or certified mail, first class postage prepaid, (ii) delivered by an overnight courier by next day delivery, (iii) sent by facsimile or electronic mail with transmission verification, or (iv) by personal delivery, if to Seller to the applicable Vice President's office, and if to Purchaser to his address given above. The parties shall be responsible for notifying each other of any change of address. This Agreement (including any notices thereof) shall not be recorded. The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision set forth herein. Where the context requires, words in the singular shall be substituted for the plural and vice versa, and words in the masculine shall be substituted by any gender. This Agreement, its formation and enforceability shall be governed by the laws of the Commonwealth of Pennsylvania without regard for conflicts of law principles. Any rules of interpretation wherein this Agreement is construed against its drafter are waived.

26. **Entire Agreement.** This Agreement and the following listed documents are incorporated by reference and constitute the entire and final Agreement. No other prior or contemporaneous agreements, representations, promises or terms (written or oral) are part of this Agreement, but are superseded by this written Agreement. No additions or changes to this Agreement shall be valid or binding unless signed by an authorized officer of Seller and Purchaser.

Pennsylvania Addendum to Purchase Agreement _____

Affiliated Business Arrangement Disclosure _____

Master Selection Sheet _____

Change Order Policy _____

27. THIS IS A LEGALLY BINDING CONTRACT. READ AND UNDERSTAND ALL PROVISIONS PRIOR TO SIGNING. IF NOT UNDERSTOOD SEEK LEGAL OR OTHER COMPETENT ADVICE. IF PURCHASER SIGNS BELOW, IT SHALL BE CONCLUSIVELY PRESUMED THAT PURCHASER HAS FULLY READ AND UNDERSTOOD ALL OF THE TERMS OF THIS AGREEMENT. PURCHASER ACKNOWLEDGES THAT THIS AGREEMENT, AS SIGNED BY PURCHASER ALONE, CONSTITUTES AN OFFER TO PURCHASE AND THAT THIS AGREEMENT SHALL NOT BE BINDING UPON SELLER UNTIL EXECUTED BY A VICE PRESIDENT OF SELLER. THE SALESPERSON OR REPRESENTATIVE RECOMMENDING APPROVAL IS NOT SUCH A VICE PRESIDENT. PURCHASER'S OFFER SHALL BE REVOCABLE ONLY BY WRITTEN NOTICE OF REVOCATION GIVEN TO AND RECEIVED BY SELLER'S APPLICABLE VICE PRESIDENT PRIOR TO ACCEPTANCE BY SELLER. SELLER IS NOT REQUIRED TO PROVIDE NOTICE OF ITS ACCEPTANCE TO PURCHASER AND ACCEPTANCE OCCURS UPON SIGNATURE BY SELLER'S VICE PRESIDENT.

PURCHASER:

Date: _____

Date: _____

SELLER:
NVR, INC. /s/ _____

Date: _____ By: _____

Vice President

Lot _____
Property Address _____

Community _____

PENNSYLVANIA ADDENDUM TO PURCHASE AGREEMENT

Addendum made this _____ day of _____, 20__ to a Purchase Agreement by and between NVR, Inc. /a
_____ ("Seller") and _____ and _____ (collectively,
"Purchaser"), dated _____ (the "Agreement").

Below are a series of addenda which, if checked in the left margin by Seller and initialed by Purchaser, are made a part of the Agreement as of the date below.

BUILDING ENERGY CONSERVATION ACT WARRANTY

Seller hereby warrants to Purchaser the Property is constructed in accordance with the provisions of the Act of December 15, 1980 (No. 222), as amended, known as the "Building Energy Conservation Act." This law provides you with legal remedies if your home is not built according to the State standards. If you would like the State to do an energy audit of your home to determine if it conforms to State standards, you may call the Pennsylvania Department of Community and Economic Development (or local municipality) at (717) 720-7414

Purchaser's Initials

HOMEOWNERS ASSOCIATION ADDENDUM

Purchaser acknowledges that the Property is part of the _____ Homeowners Association and that Purchaser has received the following Homeowners Association documents:

- Declaration of covenants, conditions, restrictions and easements including amendments (if applicable)
- Bylaws of Association (if applicable)
- Public Offering Statement (if applicable)
- Operating Budget (if applicable)
- Other: _____

Purchaser acknowledges that they shall be obligated to pay a one time initial capital account assessment contribution, collected at Settlement, in the amount of \$ _____ and an estimated annual assessment of \$ _____, which is estimated to be payable in the amount of \$ _____ per _____, made payable to _____

Purchaser's Initials

COMMON DRIVEWAY ADDENDUM

The Property subject to the Agreement is located on a flag lot and requires a common driveway. This will require the establishment of an easement over this lot and adjacent lots for the construction and maintenance of a common driveway to be shared by the owners of the affected lots. The easement will provide that the owners of the lots share equally in the care and maintenance of the driveway and that none of the owners may restrict the use of the driveway by the other owners. This easement may not be established prior to Settlement and Purchaser agrees to execute any documents necessary for the establishment and recordation of such an easement at any time after Settlement.

Purchaser's Initials

MODEL HOME PURCHASE ADDENDUM

The Property shall, upon Settlement, be leased to the Seller for use as a model home pursuant to the terms of the Lease Agreement attached hereto. Accordingly, the following revisions are hereby made to the Purchase Agreement:

- a. Purchaser shall not have the right to select any options, nor shall change orders be allowed, except as may be permitted by Seller on a limited basis.
- b. The following personal property shall be included in the sale of the home and is included in the Purchase Price: _____

Except as specifically provided above, all terms and conditions of the Agreement remain in full force and effect.

Purchaser's Initials

PLAT RECORDATION ADDENDUM

The plat of subdivision ("Plat") which creates the Lot subject to this Agreement has not been recorded among the land records of the applicable County as of the date of this Agreement. This Agreement is expressly contingent upon the recordation of the Plat. If the Plat is not recorded within six (6) months after the date of this Agreement, Seller shall have the following options:

a) Seller may terminate this Agreement and return the Deposit to the Purchaser upon Purchaser's execution of a Mutual Release Agreement, at which time this Agreement shall be null and void and neither party shall have any further obligations or liabilities to the other; or

b) Seller may extend this contingency for an additional period, up to the Outside Delivery Date, as defined in paragraph 9 of the Agreement. If the Plat is still not recorded after the extension, any additional extensions beyond the Outside Delivery Date may only be given with Purchaser's consent. If Purchaser should not consent to further extensions, Seller shall return the Deposit to Purchaser upon Purchaser's execution of a Mutual Release Agreement, at which time this Agreement shall be null and void and neither party shall have any further obligations or liabilities to the other.

Prior to recordation of the Plat, Seller reserves the right to change the dimensions, boundary lines, shape or size of the Lot. In the event the Lot size is reduced from the initial plan signed by Purchaser by fifteen percent (15%) or more as a result of any changes to the plat of subdivision, Purchaser shall be notified by Seller in writing within ten (10) days of the date the plat is recorded and Purchaser, at Purchaser's option, may terminate this Agreement by providing written notice to Seller within five (5) days after receipt of said notice from Seller. If Purchaser elects to terminate this Agreement as provided in this addendum, Seller shall refund the Deposit upon Purchaser's execution of a Mutual Release Agreement, after which neither party shall have any further obligations or liability to the other. This Addendum shall not survive Settlement.

Purchaser's Initials

WELL WATER ADDENDUM

The Property will be served by a private well water system. Seller shall provide all necessary approvals and permits for the construction of the water well. Seller will provide a water well which meets all applicable standards required by the city or county in which the Property is located. The water well shall be covered by Seller's limited warranty pursuant to the terms and conditions thereof with respect to defects in workmanship of the original installation of the water well. Seller's limited warranty does not cover issues related to water yield or water quality subsequent to Settlement.

Purchaser's Initials

SEPTIC ADDENDUM

No community sewage system is available to the Property. The Property will be served by a private septic system. A permit must be obtained for any individual sewage system. Seller shall provide all necessary approvals and permits for the construction of the septic system. Seller will provide a septic system which meets all applicable standards required by the city or county in which the Property is located. The warranties and representations set forth herein will not survive Settlement, and Seller shall not be responsible for failure of the septic system occurring after Settlement, other than as specifically provided in Seller's limited warranty. Purchaser acknowledges that the size of the percolation field serving the septic system is designed and approved only for the number of bedrooms originally constructed in the home and that the number of bedrooms in the home may not be increased without significant modifications to the septic system by the Purchaser.

Purchaser's Initials

WETLANDS ADDENDUM

Purchaser acknowledges that the Lot contains "wetlands" which are required to be left in their natural state. Purchaser agrees that it will maintain the "wetlands" in their natural state and abide by all covenants and restrictions that may be specified in the subdivision plat, and any federal, state or local laws or ordinances pertaining to "wetlands."

Purchaser's Initials

This Addendum, upon execution by both parties, is herewith made an integral part of the aforementioned Agreement.

PURCHASER:

DATE: _____

DATE: _____

SELLER:
NVR, Inc. U/a _____

DATE: _____

By: _____
Vice President

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

This is to give you notice that NVR, Inc. ("Seller") has a business relationship with NVR Mortgage Finance, Inc. ("NVR Mortgage") and NVR Settlement Services, Inc. ("NVRSS"). Specifically, NVR Mortgage is a wholly-owned subsidiary of Seller and NVRSS is a wholly owned subsidiary of NVR Mortgage. Because of this relationship, this referral may provide Seller a financial or other benefit.

Set forth below is the estimated charge or range of charges for the services listed. You are NOT required to use the listed provider(s) as a condition for the purchase of the Property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

<u>Description of Charge</u>	<u>Estimated Charges</u>
1. Application fee	\$300.00 to \$500.00
2. Loan origination fee	1% to 2%
3. Credit report	\$25.00 to \$100.00
4. Appraisal	\$250.00 to \$500.00
5. Title exam fee	\$100.00 to \$500.00
6. Settlement or closing fee	\$250.00 to \$500.00
7. Lender's title insurance premium	\$325.00 to \$2,250.00
8. Owner's title insurance premium	\$450.00 to \$3,900.00

ACKNOWLEDGEMENT

I/We have read this disclosure, and understand that Seller is referring me/us to purchase the above-described settlement services and may receive a financial or other benefit as the result of this referral.

Date

Purchaser

Date

Purchaser

EXHIBIT "D"

Budget

MAJESTIC HILLS, LLC
for MAJESTIC HILLS AMENITIES and COMMON AREAS
BUDGET at PHASE I BUILD-OUT

REVENUES

Assessment Fees \$ 25,920.00

TOTAL REVENUES

\$ 25,920.00

EXPENSES:

Labor	\$ 500.00
Janitorial	\$ -
Chemicals	\$ -
Fixtures	\$ -
Repairs	\$ -
Lawn Maintenance - Pool	\$ -
Landscape Maintenance	\$ 7,500.00
Capital Reserves	\$ 3,500.00
Winter Maintenance	\$ 3,500.00
Water	\$ 500.00
Gas	\$ -
Electric	\$ 500.00
Insurance	\$ 600.00
Real Estate Taxes:	\$ -
Management Fee	<u>\$ 7,296.00</u>

TOTAL EXPENSES:

\$ 23,896.00

NET OPERATING INCOME OR (LOSS):

\$ 2,024.00