



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

DIVISION OF ECONOMIC JUSTICE
REAL ESTATE FINANCE BUREAU

(212) 416-8966

Liberty Meadows, LLC
c/o Certilman Balin Adler & Hyman LLP
Attention: Richard Herzbach
90 Merrick Avenue, 9th Floor
East Meadow, NY 11554

RE: Village Vistas Condominium
File Number: CD070156 Amendment No: 10
Date Amendment Filed: 01/23/2013 Filing Fee: \$225.00
Receipt Number: 119638

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. This filing is effective for the greater of six months from the date of filing this amendment or twelve months from the acceptance of the original offering literature. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment, including amending the plan to disclose the most recent certified financial statement and budget, which should be done as soon as either of these documents is available.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

Kelly Maharaj
Assistant Attorney General

AMENDMENT No. 10
TO THE CONDOMINIUM OFFERING PLAN OF
VILLAGE VISTAS CONDOMINIUM
Liberty Avenue
Port Jefferson, New York 11777
Dated: January 23, 2013

The Offering Plan accepted for filing on or about July 5, 2007 as amended by Amendment No. 1 dated July 28, 2008, Amendment No. 2 dated October 10, 2008, Amendment No. 3 dated April 27, 2009, Amendment No. 4 dated November 5, 2009, Amendment No. 5 dated August 12, 2010, Amendment No. 6 dated March 30, 2011, Amendment No. 7 dated September 30, 2011, Amendment No. 8 dated February 16, 2012 and Amendment No. 9 dated August 2, 2012, is hereby further amended as follows:

I. STATUS OF SALES

As of November 27, 2012, the Sponsor has entered into contracts for Twenty-one (21) Homes out of the forty-three (43) Homes offered under the Plan.

II. CONDOMINIUM BUDGET

The estimated Budget for the first year of operation has not changed and remains as disclosed in Amendment No. 8. An updated Certification of the Adequacy of such Budget is annexed hereto as Exhibit "A".

III. REVISED ESCROW TRUST FUND REGULATIONS

The Department of Law has revised its regulations to eliminate the Attorney General's authority to adjudicate disputes regarding the disposition of deposits, down payments, or advances ("Deposits") received by Sponsor pursuant to New York General Business Law ("GBL") §§ 352-3(2-b) and 352-h. The changes only impact Purchasers who have not received a fully executed Purchase Agreement prior to the date of service of this Amendment. For all other Purchasers, the disclosures set forth in the Procedure to Purchase Section of the Plan are modified as set forth herein.

Revised Procedure to Purchase Section of the Plan:

The Procedure to Purchase Section of the Plan regarding escrow trust fund requirements is hereby replaced with the following disclosures set forth herein. The Purchase Agreement, as set forth in Part II of the Plan, is hereby replaced with the revised Purchase Agreement, attached hereto as Exhibit "B".

The Escrow Agent:

The law firm of Scott Zamek, Esq., One Rabro Drive, Suite 103 A, Hauppauge, New York 11788, telephone number (631) 851-4466, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The signatory on this account authorized to withdraw funds is Scott Zamek, Esq. who is admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signatory on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Valley National Bank, located at 740 Veterans Highway # 100, Hauppauge, New York 11788 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Scott Zamek, Esq., Escrow Account for Liberty Meadows LLC" ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

All Deposits received by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Scott Zamek, Esq., as Escrow Agent.

Purchasers should note as a **special risk** that although all funds received by Sponsor for upgrades or extras to the Home will initially be placed in the escrow account, such funds may be released from the escrow account without the requirements outlined below as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras.

The Escrow Account is interest-bearing and, unless the purchaser defaults, interest will be credited to the purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts which currently is .2%. Interest will begin to accrue upon deposit of the downpayment. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement:

The Purchase Agreement, as revised to reflect the foregoing, is attached hereto as Exhibit "B".

The revised escrow provisions are included in Paragraph 11 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of Paragraph 11 of the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds:

All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title to the unit; or

- (b) in a subsequent writing signed by both Sponsor and Purchaser;
or
- (c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the unit is located and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Deposit to:

- (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

Waiver Void:

Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

General

Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan must be amended to provide the same full disclosure

with respect to the new account, the Escrow Agent and the Escrow Agreement as was originally provided.

Purchasers should note that it shall be an express condition of Closing of Title that the Purchaser sign the form set forth as Schedule D-2 to the Offering Plan which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

The Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

Upon the dissolution of the law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of the Escrow Account records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to General Business Law Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h. Funds from any Escrow Account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of either the Sponsor or the Escrow Agent upon any bankruptcy

IV. EXTENSION OF OFFERING PLAN

This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

V. NO MATERIAL CHANGE

Other than as set forth above, there are no material changes which require an Amendment to the Plan.

LIBERTY MEADOWS, LLC
SPONSOR

SCHIFFER MANAGEMENT GROUP
PO Box 998, Melville, New York 11747
631-288-4343 Fax 631-288-4772 realtymr@aol.com

CERTIFICATION OF ADEQUACY

Tuesday, November 27, 2012

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

Re Village Vistas Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes the current management of two (2) multi-family properties with many similarities to the captioned property as well as thirty (30) years' experience in managing condominium and cooperative property.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my/or our experience in managing residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

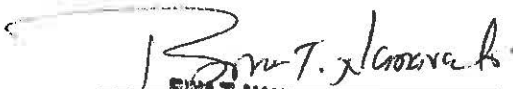
Very truly yours,



Joseph Gill Schiffer
The Schiffer Management Group

Joseph Gill Schiffer

Sworn to before me this
27th day of NOV., 2012.



Brian T. Lawrence
Notary Public
Qualified in Suffolk County
No. 01140142003
My Commission Expires April 10, 2014

VILLAGE VISTAS CONDOMINIUM

PURCHASE AGREEMENT

AGREEMENT made and dated _____, 20____, between LIBERTY MEADOW, LLC., a New York Limited Liability Company, having an office at 1 Rabro Drive, Suite 100, Hauppauge, New York 11788, hereinafter called the Seller or Sponsor and _____, having an address at _____, hereinafter called the Purchaser.

WHEREAS, the Seller has promulgated a Condominium Plan and desires to offer for sale, pursuant to Article 9-B of the Real Property Law of the State of New York, Condominium Homes to be situated on the land owned by it located in The Village of Port Jefferson, Town of Brookhaven, County of Suffolk, New York and the Purchaser is desirous of purchasing a Condominium Home therein;

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Purchase Agreement, the parties mutually agree as follows:

1. Sale of Home. The Purchaser hereby agrees to purchase and the Seller agrees to sell the Condominium Home designated as No. _____, Model Type: _____, as shown on the plot plan which forms a part of the Offering Plan attached hereto, together with a 1/43rd undivided interest in the common elements appurtenant thereto.

2. Delivery of Deed: Adjustments. The Closing of Title shall take place at an office to be designated by Seller or by the lending institution at 10 o'clock A.M. on or about _____ or at another date and time designated by the Seller upon ten (10) days' written notice mailed to the Purchasers at their address hereinabove set forth. The Seller shall be entitled to a reasonable adjournment in the closing of title as set forth in Paragraph 27 in the event of delay by reason of weather conditions, strikes or material shortages, or delays in inspections, construction and reports thereon, or other requirements. If the Purchaser is not ready to close title at the date and time fixed pursuant to the contract, any adjournment exceeding seven (7) days granted at the request of the Purchaser shall be upon the condition that (a) interest on the balance of the purchase price computed from the date originally fixed for closing to the actual date of closing, shall be paid to Seller at closing at a rate equal to the rate of interest charged to Seller on the building loan/acquisition loan mortgage, if any, or at 12% per annum, whichever is greater, and (b) all adjustments shall be made as of the date originally fixed for the closing of title and the

Purchaser also agrees to apportion with Seller such taxes, electricity, heating, security costs, insurance and Common Charges as may be determined to be due at the time of closing. Nothing herein contained shall be construed to require Seller to grant any adjournment beyond seven (7) days from the date originally fixed for closing.

3. Purchase Price. The purchase price is \$_____ payable as follows:

\$_____ on the signing of this Agreement, the receipt of which is hereby acknowledged (10%);

\$_____ certified or bank cashier's check drawn on a New York bank (payable directly to the order of Seller or Sellers designee) on closing of title;

Any payment made by check is accepted by Seller subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashiers check payable directly to Seller within 72 hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the downpayment hereunder is dishonored, Seller shall have the right to cancel this Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER FOR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

4. Condominium Declaration. The Declaration and By-Laws will be recorded in the Office of the Clerk, County of Suffolk prior to the closing of title to the first Home. If not already filed, the Seller shall amend the Declaration prior to the closing date and file at such time a verified statement of a registered architect or licensed professional engineer certifying that the plans theretofore filed or being filed simultaneously with such amendment fully and fairly depict the layout, location, Condominium Home designation and approximate dimensions of the Condominium Homes as built. The

Declaration and By-Laws, as recorded, will be substantially in the form and substance of the Declaration and By-Laws delivered to the Purchaser and any changes made thereto will not substantially adversely affect the Purchaser.

5. Seller's Failure to Convey. It is specifically understood and agreed that in the event the Seller shall be unable to deliver or cause to be delivered a deed to the premises to the Purchaser in accordance with this Agreement because of the inability of the Seller to complete the filing of the premises as part and parcel of a Condominium plan in accordance with the Offering Plan of Village Vistas Condominium and any amendments thereto, and/or to complete the intended improvements or deliver title for any reason, then the Seller shall immediately notify the Purchaser and thereupon this agreement shall terminate and the sole liability between the parties shall be the return by the Seller to the Purchaser of the Purchaser's down payment with interest, if any, under this agreement. Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the premises marketable or to cure any objections to title.

6. Construction of Condominium. The Seller has or will apply for a building permit from the Village of Port Jefferson which will permit the Seller to erect the Condominium Homes as residential dwellings on the property. Prior to the closing of title set forth herein, the Seller will declare the property and the Condominium Homes erected thereon to be a Condominium pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York.

7. Purchaser Bound by Offering Plan, etc. The Seller has exhibited and delivered to the Purchaser and the Purchaser acknowledges receipt of the Offering Plan at least 72 hours prior to the execution of this Purchase Agreement and has read and agrees to be bound by the proposed Declaration, By-Laws and Offering Plan of the said Condominium (and the Schedules, Plans and Exhibits attached thereto) all of which are incorporated by reference and made a part of this agreement with the same force and effect as if set forth in full herein. Defined terms not defined within this Purchase Agreement but defined in the offering Plan shall have the meaning ascribed in the offering Plan. Any conflict between the Offering Plan and the Purchase Agreement is to be resolved in favor of the Offering Plan. The Purchaser acknowledges that he is purchasing a Condominium Home in a Condominium that is to be formed, and that, except as stated in this agreement (and as set forth in the Declaration, By-Laws, Exhibits and Offering Plan), he has not relied on any representations or other statements of any kind or nature made by the Seller, any representatives of Seller, or otherwise, including but not limited to any relating to the description, size or dimensions of the Home or rooms therein, and the estimated common charges or other expense in connection herewith.

8. Closing Costs and Adjustments. The Purchaser shall pay the fee of his own attorney, and a travel fee to Seller's attorneys in the amount of \$250.00 if the closing of

title is held at an office other than that of Seller's attorney, and \$850 to Sellers Attorney for preparation and review of Unit Deed, Power of Attorney, and for coordinating and attending the closing. The Purchasers further agree to pay at the closing of title, the actual cost of title examination, cost of mortgage title insurance, bank attorneys' fees for preparation of the documents necessary for the mortgage loan, bank credit and appraisal fees, origination fee, commitment fees, New York State transfer taxes, recording and filing charges paid or payable to public officials, private mortgage insurance premiums, if applicable, mortgage recording taxes and other bank or governmental charges assessed on the loan or on the transfer of title. In the event Purchaser obtains fee title insurance from any company other than Barrister Land LLC as agent for Stewart title Insurance Company, and such other title company raises title exceptions which were previously examined, cleared and insured when Seller acquired title to the premises, then Purchaser agrees to reimburse Seller at closing of title the sum of \$250 for additional and extra title review and clearance charges which Seller will actually incur.

9. Additional Closing Costs and Adjustments. The Purchaser agrees to pay two months Common Charges to the Condominium, at the closing of title, as initial working capital. The Purchaser also agrees to apportion with Seller such taxes, gas, electricity, and Common Charges as may be determined to be due at the time of closing.

10. Sellers Right to Mortgage Tax Credit. The Purchaser agrees that any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of the Seller.

11. Trust Funds. The Downpayment and all other deposits or advances made by Purchaser prior to Closing shall initially be held in a segregated escrow account of Scott Zamek, Esq., the Escrow Agent, whose address is One Rabro Drive, Suite 103 A, Hauppauge, New York 11788 and whose telephone number is (631) 851-4466, (the "Escrow Agent") pursuant to the following:

- (a) The law firm of Scott Zamek, Esq., with an address at One Rabro Drive, Suite 103 A, Hauppauge, New York 11788, telephone number (631) 851-4466, shall serve as escrow agent ("Escrow Agent") for Seller and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Scott Zamek, Esq. Said signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signatory on the account are the Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.
- (b) Escrow Agent and its authorized signatory hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action

arising out of the Purchase Agreement or otherwise concerning the maintenance or release of the Deposit from escrow.

- (c) The Escrow Agent has established the escrow account at Valley National Bank, located at 740 Veterans Highway # 100, Hauppauge, New York 11788, ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Scott Zamek, Esq. Escrow Account for Liberty Meadows, LLC" ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.
- (d) All Deposits received by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments approved by Seller, and shall be made payable to or endorsed by the Purchaser to the order of Scott Zamek, Esq., as Escrow Agent.
- (e) The Escrow Account is interest-bearing and, unless the purchaser defaults, interest will be credited to the purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts which currently is .2%. Interest will begin to accrue upon deposit of the downpayment. No fees of any kind may be deducted from the Escrow Account, and the Seller shall bear all costs associated with the maintenance of the Escrow Account.
- (f) Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. With ten (10) business days of the placing the Deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Seller, confirming the Deposit. The notice shall provide the account number. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released as long as Seller uses the Funds for such work.
- (g) The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to the Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that

the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

- (h) All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Seller, as per GBL §352-h.
- (i) Under no circumstances shall Seller seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Seller of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.
- (j) The Escrow Agent shall release the Deposit if so directed:
 - (i) pursuant to terms and conditions set forth in this Purchase Agreement, upon closing of title to the Home; or
 - (ii) in a subsequent writing signed by both Seller and Purchaser; or
 - (iii) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Seller prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Home is located and shall give written notice to both parties of such deposit. Escrow Agent shall disburse the Purchaser's deposit(s) escrowed under this Purchase Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Purchase Agreement.

The Seller shall not object to the release of the Deposit to:

- (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

- (k) Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.
- (l) Escrow Agent shall maintain the Escrow Account under its direct supervision and control.
- (m) A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).
- (n) Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.
- (o) No disbursement need or will be made by Escrow Agent until the deposit has actually and finally cleared Escrow Agent's account.
- (p) Escrow Agent shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.
- (q) Escrow Agent undertakes to perform only such duties as are expressly set forth in this Purchase Agreement and the Escrow Regulations as amended on November 14, 2012 promulgated by the New York State

Attorney General's Office, and no implied duties or obligations shall be read into this Purchase Agreement against Escrow Agent.

- (r) Seller agrees that Seller and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Home to a designated attorney who is a member of or employed by Escrow Agent, within five (5) business days of tender of the Deposit by Purchaser.
- (s) Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.
- (t) The following record keeping provisions shall apply:
 - (i) Escrow Agent shall maintain all records concerning the Escrow Account for seven (7) years after the release of the funds.
 - (ii) Upon dissolution of a law firm which was the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.
- (u) Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.
- (v) Seller agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses, demands, causes of action, liability, judgments and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.
- (w) Escrow Agent shall not be liable for Seller's failure to tender the Purchasers' funds to Escrow Agent within five (5) business days, for any

mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence.

- (x) Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.
- (y) The duties of Escrow Agent shall be limited to the safekeeping of the deposits and for disbursements of same in accordance with the written instructions described in this Agreement.
- (z) This Paragraph 11 of the Purchase Agreement shall remain in effect unless and until the following:
 - (i) Written notice given by Seller to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or
 - (ii) The resignation of Escrow Agent upon giving notice to Seller of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or
 - (iii) All Homes offered pursuant to the Plan have been sold and all sales transactions have been consummated.
 - (iv) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.
- (aa) Upon termination of the duties of Escrow Agent, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent designated in the duly filed amendment related thereto.
- (bb) Upon delivery of all funds held by the Escrow Agent to the new escrow agent, this provision of the Purchase Agreement shall be terminated and the Escrow Agent shall be released from all liability hereunder.
- (cc) Upon Escrow Agent disbursing the deposit of Purchaser in accordance with the provisions of Paragraph 11 of the Purchase Agreement, the Escrow Agent's obligations shall terminate as regards to said Purchaser's

deposit, and Escrow Agent shall thereafter be released of all liability in connection with said Purchaser.

- (dd) In the event of a good faith disagreement about the interpretation of this Paragraph 11 of the Purchase Agreement, or about the rights and obligations, or the propriety, of any action contemplated by Escrow Agent hereunder, Escrow Agent may, at its sole discretion, retain purchaser's deposits and payments in escrow and file an action and deposit any applicable funds in court to resolve said disagreement. Escrow Agent shall be indemnified by Seller for all costs, including reasonable attorneys' fees or reasonable value of services rendered by Escrow Agent's litigation attorneys representing Escrow Agent pro se, in connection with the aforesaid action. No such action shall be filed where the Escrow Agent's required course of action is clearly dictated within this Paragraph 11 of the Purchase Agreement.
- (ee) Any provision of any contract or agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the regulations pertaining to escrow funds as amended on November 14, 2012 shall prevail over any conflicting or inconsistent provision in the Offering Plan, an amendment to the Offering Plan or in the Purchase Agreement.
- (ff) This Paragraph 11 of the Purchase Agreement shall be construed in accordance with and governed by the laws of the State of New York.
- (gg) It is an express condition of the Closing of Title that the Purchaser sign the form set forth as Schedule D-2 to the Offering Plan which will enable the Escrow Agent to release the escrow funds not previously released, as set forth above.

12. Subordination of Purchase Agreement to Mortgages. The Purchaser agrees that all terms and provisions of this agreement are and shall be subject and subordinate to the lien of any institutional mortgages on the Condominium property heretofore or hereafter made and any advances heretofore or hereafter made thereon, and any payments or expenses already made or incurred or which may hereafter be made or incurred, and any purchase money mortgages, pursuant to the terms thereof, to the full extent thereof without the execution of any further legal documents by the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The Seller shall satisfy all such mortgages or obtain a

release of the Home from the lien of such mortgages at or prior to the closing date, except for the individual mortgage of Purchaser thereon.

13. Construction of Home by Seller. The Seller agrees, at its own cost and expense to erect and complete the aforementioned Home in accordance with the requirements as to materials and workmanship of the Building Department of the Village of Port Jefferson and with the requirements of the lending institution which shall make the mortgage loan herein set forth and further agrees that when completed, same will be in substantial accordance with the plans as filed with the Building Department. The issuance of a temporary or permanent Certificate of Occupancy shall mean that the Home is substantially complete, in which event the Purchaser agrees to accept a letter agreement from the Seller wherein the Seller shall agree to complete all unfinished items within ninety (90) days from the date of the closing of title, weather permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing.

Purchaser shall permit Seller, its agents, servants and/or employees to enter upon the Premises and shall provide reasonable access thereto subsequent to closing to complete any incomplete items. In the event Seller is required to make any repair or complete any item of work to be performed by Seller after closing, the limit of Seller's liability shall be to make said repair and/ or to complete such item. This Paragraph shall survive the delivery of the deed.

14. Personal Property Included in Sale: Excluded Items. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Model Type Condominium Home referred to herein are included in this sale, and same will be delivered free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchasers herein. Decorative fixtures, furniture, furnishings, paint, wall paper, carpeting, ceramic floors, mirrors, shelves, wall and window treatments, built-ins, burglar alarm system, electric fixtures on site lighting, intercom systems, mirrored bar cabinet doors, wooden bar cabinet doors, wood vanity doors, mirrored vanity doors, high back splash on kitchen cabinets, ceiling high kitchen cabinets, radius ends on vanities and kitchen cabinet counters, wall mounted vanities, special landscaping installed at the model homes, special kitchen cabinets, central vacuum systems, whirlpool bathtubs, Belgium Block curbing along driveways, sky lights, fireplace, wood ceiling treatments, high hat lighting, additional fixtures and switches added for decorative purposes exhibited in the Model Homes, excepting those specifically set forth herein or in the Offering Plan, are for display purposes only and are not included in this sale.

15. Selection of Colors. It is further agreed that wherever the Purchaser has the right to make a selection of colors, fixtures and/or materials from Seller's designated samples, he shall do so within seven (7) days after written demand therefor. The

selections are to be made at Seller's sales and display offices. Monday thru Friday excluding holidays all between the hours of 10:00 a.m. and 5:00 p.m. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth. Seller shall not be responsible for variations in the color of siding, appliances, plumbing fixtures, carpeting or tiles from the samples due to manufacturers variations, nor shall such variations constitute an objection to closing or entitle Purchaser to compensation therefor.

16. Sellers Right to Make Changes in Materials, etc. The Seller reserves the right to: (a) make changes or substitutions of materials or construction for items as set forth in the Offering Plan or Building Plan, provided any such changes are of comparable value and quality; (b) determine the exterior color and design, location of buildings, landscaping, grading, elevation and design (including reversal of the Home and building layout) of all plots and dwellings to fit into the general pattern of the Community; and (c) determine elevation of front, rear and sides of buildings, and elevation, size and location of foundations, walkways, stairs, patios, balconies, windows and roadway; (d) determine the ultimate house mix and color of Homes in the Condominium; (e) modify entry walks, relocate parking stalls and garbage dumpsters, etc.; (f) determine location of electric and gas meters, air conditioning units, electronic transformers, heat pump units, mail boxes, speed bumps, hose bibs, and leaders and gutters. In addition to the foregoing, the building exteriors, exterior elevations and location of foundations, entrances, window fenestration, balconies and buildings may vary; (g) alter the elevation and roof details where elevation of adjacent lot warrants such change; (h) alter the exterior materials or placement thereof where alignment of adjacent homes so warrant; (i) determine the type of home to be constructed on a particular lot; (j) to fix the location of a house (including setbacks) within the lot lines; (k) determine the ultimate number of Homes and house type mix to be constructed in the Development; (l) add or remove retaining walls on the lots or Common Areas where required by grade conditions; (m) determine the size of decks to be constructed on a particular Home; (n) vary the number of steps into house from front, rear and garage due to topographical conditions; (o) relocate parking spaces; (p) make any other changes required by the Village of Port Jefferson; (q) change appliances as long as they are equal to or better than originally offered; (r) determine the type of siding to be used on the exterior of the Home.

17. Closing Deed: Power of Attorney. The closing deed shall be in proper statutory form for recording; shall be Bargain and Sale with covenant; shall be duly executed and acknowledged by the Seller at the Seller's expense and shall contain such a description of the premises as shall be acceptable and/or approved so as to validly convey under the Condominium Act, the Home and the undivided interest in the common elements referred to herein and shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. At the closing of title the Purchaser agrees

to execute and deliver to Seller the Power of Attorney in the form annexed hereto (and made a part hereof) and designated "Schedule A".

18. Marketable Title, Subject To. The Seller shall give and Purchaser shall accept a good and marketable title (subject to the terms of the Declaration and By-Laws as filed and of the Offering Plan), free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchaser herein and except as set forth in the Offering Plan; and such title as Barrister Land LLC, as agent for Stewart Title Insurance Company will approve and insure for mortgages and/or fee title insurance. Fee title insurance, if ordered by Purchaser, shall be purchased at Purchasers own cost and expense. Purchaser shall deliver to Sellers attorney at least ten (10) days prior to closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Premises are being sold), and a copy of Purchasers title report. Seller shall have the right to a reasonable adjournment of Closing not to exceed sixty (60) days for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Agreement.

19. Completion of Construction - Purchaser's Inspection. Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Home or the building in which it is located or (b) other Homes or (c) the landscaped areas or (d) the open parking spaces or (e) other portions of the Common Elements or Common Areas have not been completed. Purchaser will inspect his Home with a representative of the Seller during normal business hours prior to the closing date and will sign and deliver to Seller on or before closing date a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition in which he has received his Home.

20. Acceptance of Deed - Full Compliance by Seller: Waiver of Jury Trial. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing of title hereunder shall constitute full compliance by the Seller with the terms of this agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All representations contained in the Offering Plan shall survive delivery of the deed. The parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this Agreement is hereby waived.

21. LIMITED WARRANTY. SELLER HEREIN MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE PURCHASE AGREEMENT OR HOME COVERED HEREBY AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THE LIMITED WARRANTY ANNEXED HERETO AS EXHIBIT "1". THE TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED INTO THIS

PURCHASE AGREEMENT AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF. PURCHASER HEREBY ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE ANNEXED LIMITED WARRANTY HAS BEEN PROVIDED BY SELLER TO PURCHASER FOR PURCHASER'S EXAMINATION AND THAT A REASONABLE PERIOD OF TIME FOR ITS EXAMINATION BY PURCHASER HAS BEEN AFFORDED TO PURCHASER PRIOR TO THE TIME OF PURCHASER'S EXECUTION OF THE PURCHASE AGREEMENT. PURCHASER UNDERSTANDS AND ACCEPTS THE ANNEXED WARRANTY TO THE PURCHASE AGREEMENT IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES IN CONNECTION WITH THIS TRANSACTION. THE ANNEXED WARRANTY WILL BE FULLY EFFECTIVE WITHOUT THE EXECUTION OF ANY OTHER DOCUMENT BY EITHER PURCHASER OR SELLER ON THE DATE THAT PURCHASER OR ITS FAMILY SHALL FIRST OCCUPY THE HOME WHICH IS THE SUBJECT OF THIS AGREEMENT AS A RESIDENTIAL HOME OR THE DATE THAT THE DEED TO SUCH HOME SHALL BE DELIVERED TO PURCHASER, WHICHEVER OCCURS FIRST. IN ADDITION TO THE ANNEXED LIMITED WARRANTY, PURCHASER WILL RECEIVE ANY MANUFACTURERS' WARRANTIES APPLICABLE TO THE APPLIANCES INSTALLED IN THE HOME. The provisions of this Paragraph shall survive the delivery of the deed.

22. Lack of Labor/Materials: Seller's Right to Cancel. The parties hereto do hereby agree that the Seller may cancel this Agreement by forwarding its check in the full amount paid by the Purchaser, with interest, if any, together with a notice in writing, addressed to the Purchaser, at their addresses hereinabove set forth in the event of the occurrence of either of the following: (1) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restriction shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (2) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, or the installation of public utilities is restricted or curtailed.

23. Lien of Deposit; Risk of Loss. All sums paid on account of this Agreement and the reasonable expense of the examination of the title to the Home are hereby made liens hereon, but such liens shall not continue after default by the Purchasers under this Agreement. The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed or possession by the Purchaser is assumed by the Seller. In the event a substantial portion of the Home or Community shall be destroyed or damaged prior to closing, Seller shall be entitled to cancel this Agreement by written notice to Purchaser, together with a check in the full amount paid by Purchaser, with interest, if any. The parties shall thereafter be released from any further liability hereunder.

24. Liens Satisfied at Closing. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided the Seller shall deposit a sufficient amount with a title company so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

25. Possession Prior to Closing It is expressly understood and agreed that the Purchaser shall in no event take possession of the premises prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement nor shall Purchaser enter the home or have their contractors or agents enter the home to perform work prior to closing without prior authorization of Seller and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove them from the premises as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and upon such election, the amount paid hereunder shall belong to the Seller as liquidated damages. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property on or after the closing of title herein.

26. Execution of Required Documents. Purchasers agree to perform all acts required by the Seller to carry out the provisions of the Offering Plan, establish the Condominium and conform to the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

27. Delay in Closing Purchaser's Option to Cancel. In the event the Seller shall be unable to schedule the closing of title to the home or convey title to the Condominium Home on or before nine months after the date of delivery of title set forth herein and except for delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Sponsor from obtaining necessary supplies and/ or materials, in which event the period shall be extended to twelve months, except for the Purchaser's default, the Purchaser shall have the option to cancel this agreement and to have the down payment advanced by him returned to the Purchaser with interest, if any. Seller must receive Purchaser's written notice of his intention to exercise such option to cancel no later than ten (10) days after nine (9) or twelve (12) months, whichever applicable, from the date set forth herein for the delivery of title. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Agreement. The Seller has the option not to close title to the Condominium Home described herein if less than 80% of all of the Condominium Homes to be constructed as part of the Condominium are sold, so long as title to any Condominium Home has not been conveyed, and the Declaration has not been filed at such time. In

the event Seller exercises such option, it shall forthwith return the Purchaser's down payment with interest, if any. Purchaser shall notify Seller in writing of its intention to exercise such option within ten (10) days after receipt of notification from Seller of its inability to convey title. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Agreement.

28. Options Ordered by Purchaser. Any special work ordered or changes ordered by Purchaser shall be signed by the Purchaser and must be paid for in full at the time of such order. If for any reason the Sponsor fails to install said special work in accordance with the work order, the limit of the Sponsors liability is a refund of the amount of the charge, and same shall not be deemed an objection to title. In the event Purchaser orders upgraded or optional items other than the standard provided by Seller, Seller shall not be responsible or liable for any defects in quality of materials or workmanship in installation. It is expressly agreed and understood that all deposits on account of extra's or charges are non-refundable. All extra's must be ordered prior to commencement of construction and must not delay construction. Once extra's are ordered they cannot be changed.

29. Breach of Purchase Agreement. Should Purchaser violate, repudiate, fail to perform any of the terms of this Agreement, fail to close title, or fail to make any payment required hereunder in a timely manner, which default remains uncured for thirty (30) days after written notice of such default from Escrow Agent, Seller may at its option, retain all of the moneys paid on account plus the cost of optional extras ordered hereunder as liquidated damages, in which event the parties shall be discharged of all further liability hereunder, or Seller may otherwise avail itself of any legal or equitable rights which it may have under this Agreement. Seller shall not be required to tender a deed to enforce this provision. This provision shall apply whether or not construction has commenced and regardless of any sale of the Home subsequent to Purchaser's default.

30. Binding Nature of Purchase Agreement, Assignability: Notice. The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. The Purchasers agree that they will not record or assign this Agreement or any of their rights hereunder without the written consent of the Seller. In the event Seller, in its discretion, permits an assignment of this Purchase Agreement it may elect to impose an assignment fee. In no way should this be construed as a requirement that Seller must consent to an assignment and Seller reserves the right to refuse to permit an assignment of this Purchase Agreement. Any notice to be given hereunder shall be in writing and sent by certified mail to the parties at the address above given or at such address as either party may hereafter designate to the other in writing.

31. Prohibition Against Advertising of Home for Sale. The placing of an advertisement for the sale of this Home in any newspaper prior to closing will constitute

a material breach of this Agreement entitling Sponsor to retain all monies paid on account of this Agreement (including the cost of extras) as liquidated damages.

32. Broker. The parties agree that no broker other than _____, brought about this sale and Purchaser agrees to indemnify Seller against any claim brought for brokerage based upon Purchasers act.

33. Purchasers - Agents for Each Other. If two or more persons are named as the Purchaser herein, any one of them is hereby made agent for the other in all matters of any and every kind or nature affecting the premises herein or this Agreement.

34. Delivery of Purchase Agreement. This Purchase Agreement shall not be binding on Purchaser until it is accepted, by endorsement hereon by the Seller, and a fully signed copy thereof shall have been delivered or mailed to Purchaser. If this Agreement shall not be accepted within twenty (20) days of the date hereof by the delivery or mailing to Purchaser of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and canceled and Purchasers deposit shall be promptly refunded within ten (10) days thereafter, provided Purchaser returns the Offering Plan to Seller in good condition.

35. Municipal Certificates. At the closing of title the Seller will deliver a temporary or permanent certificate of occupancy covering the Home.

36. Purchaser's Income. Purchaser hereby represents that their annual income is _____, not including overtime and they make this representation knowing that Seller herein relies upon the truth thereof.

37. Purchaser May Not Erect Signs on Home. Purchasers shall not place any sign, other than a house number sign, anywhere on the Home or Property at any time within three (3) years after Closing without Seller's prior written consent. This paragraph shall survive delivery of the deed.

38. Inspection During Construction. Unless specifically agreed to by Seller, Purchaser shall not visit the construction site except the Sales Office. Purchaser acknowledges that unsupervised visits to the construction site present a dangerous circumstance and could incur liability to Seller. Purchaser hereby releases and agrees to indemnify, defend and hold Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Premises or Seller's other property during the term of this Agreement.

39. Restrictions on Sale. Purchaser covenants and agrees to retain ownership in the Condominium Home for a period of one (1) year from the date Purchaser acquired the Condominium Home, except in the case of the death of Purchaser or spouse. Failure to abide by this requirement shall result in the Purchaser paying the

40. Entire Agreement. This agreement states the entire understanding of the parties and the Seller shall not be bound by any oral representations and/or agreements made by Seller, its agents, or representatives. Any conflict between this Purchase Agreement and the Plan shall be resolved in favor of the Plan.

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