

**ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE
SETTLEMENTS EAST**

PROPERTY _____Settlements East Lot #_____

SELLER _____GRH-3 LLC (Owner of Record (Horst & Son Inc. – Builder)_____

BUYER _____

DATE OF AGREEMENT _____

Intending to be legally bound hereby the Seller and Buyer agree as follows:

This Addendum to the Agreement of Sale contains the following Subparts:

SUBPART A - ADDITIONAL TERMS

SUBPART B – BUILDING SPECIFICATIONS

SUBPART C - LIMITED WARRANTY

SUBPART D - AUTOMATIC FIRE SPRINKLER SYSTEM OPTION

SUBPART E – HOMEOWNERS ASSOCIATION INFORMATION

Buyer Initials

Seller Initials

**SUBPART A - ADDITIONAL TERMS
SETTLEMENTS EAST**

- I. **SUBDIVISION NOTES:** Buyer hereby agrees to comply with the applicable Final Subdivision Notes and Deed Restrictions, if any, as recorded in the County Office of Recorder of Deeds.
- II. **EXTERIOR DESIGN, TEXTURES AND COLORS:** To the extent they are available for Buyers selection, all design, textures and colors are subject to Seller and/or developer approval.
- III. **CHANGE ORDERS & ALTERATIONS:** Seller shall have total discretion as to whether a change order or alteration is approved. **NOTICE: THE COST OF CHANGE ORDERS AND ALTERATIONS, IF ANY, SHALL BE PAID DIRECTLY TO THE SELLER OR SELLER'S VENDOR WITH THE ORDER. THE DIRECT PAYMENT WILL BE NONREFUNDABLE.** The agreement shall not be (or amended to be) subject to financing any sum of these orders. Each order requested and approved beyond 10 business days of the execution date of this agreement will have a \$250 service charge paid to Seller.
After 30 days, no changes will be made.
- IV. **SELECTION OF PRODUCTS PROVIDED BY VENDORS:** All selections are subject to Seller approval. Selections, if any, shall be chosen within ten (10) business days of Seller signing the agreement. If selections are not completed within the ten (10) business day period, Seller has the option to complete the selections. The cost of selections made that are above the Seller allowance shall be paid directly to vendor. Selection of some products may impact the ability of Seller to meet settlement date.
- V. **INCLEMENT WEATHER CONDITIONS:** If construction of dwelling takes place during a time of year when the exterior cannot be completed, and if required by Buyer's lender, Seller agrees to escrow funds as may reasonably be required, however escrow funds shall not exceed one and one half times the actual cost of items to be completed. Buyer and Seller agree that lender's appraiser shall determine if items are completed, for which funds are held, at which time the escrow agent shall release the funds directly to Seller.
- VI. **GRADING AND SEEDING:** In the event of soil settlement around the foundation or soil displacement due to excessive rain or erosion, the Seller agrees to supply soil only for a period of three (3) months from the date of settlement. Buyer will be responsible for soil distribution and reseeded as needed. **Note:** If lawn was not seeded due to Inclement Weather Conditions, Seller will come back up to three (3) months from when lawn is seeded.
- VII. **BOUNDARY PLANTINGS AND FENCES:** Buyer agrees to delay installation of any plantings or fences within ten feet of property boundary until adjacent property(s) is graded and seeded unless written consent is received from Seller.
- VIII. **EMERGENCY ESCAPE AND RESCUE OPENINGS DISCLOSURE:** Basements with habitable space and every sleeping room shall have at least one operable emergency escape and rescue opening. Where basements contain one or more sleeping rooms, emergency escape and rescue openings shall be required in each sleeping room, but shall not be required in adjoining areas of the basement (International Residential Code R310).
- IX. **RELEASE OF LIENS:** A bond of indemnity will be provided in place of a release of liens, prepared by the Title Company/Attorney at no charge to the Seller. If a release of liens is requested on behalf of Buyer, a \$500.00 charge shall be paid to Seller at the time of the request. The request and payment must be received thirty (30) days prior to the date of settlement.

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**SUBPART B – BUILDING SPECIFICATIONS
SETTLEMENTS EAST**

1. FOUNDATION

Footers: Built to superior wall specs
Foundation walls: 8' 2" Superior Wall & Concrete block in crawl spaces
Girders: Steel I beam and column(s) as required
Basement floor: 3-4" thick concrete w/ a trowel finish
Radon provision: Crushed Stone base w/ pipe around inside of foundation wall under basement floor, which feeds into sump pit.
Roughed-in exhaust pipe extending from basement through roof and a receptacle for future fan

2. EXTERIOR WALLS

Framing: 2x6 studs – 16" on center
Sheathing: 7/16" O.S.B. (Oriented Strand Board)
Siding: Vinyl
Manufactured veneer: Manufactured stone per plan
Wrap: Moisture Barrier

3. ROOF

Framing: Roof trusses, engineered for each home, placed 24" on center
Sheathing: 7/16" O.S.B. (Oriented Strand Board)
Roof surface: Thirty (30) year fiberglass architectural shingles with ridge vent

4. INTERIOR FRAMING

Floor joists: 2x10 floor joists 16" on center
Sub-floor: 3/4" tongue & groove 4'x8' sub-floor material glued & nailed
1/4" underlayment for vinyl flooring
Partitions: 2x4 studs - 16" on center

5. FIREPLACE

Gas fireplace: Direct Vent with w/ slate surround and hearth and painted mantle

6. WINDOWS & DOORS

Basement windows: White Vinyl Egress Window
Windows: White Vinyl Double Hung Windows & Picture Windows
Exterior doors: Front door – insulated fiberglass door w/ doorbell & pitcher handle; Glass sliding door w/ vinyl frame & screen
Interior doors: Paint grade doors w/ aged bronze latches

7. EXTERIOR TRIM

Soffit, Fascia, Trim: Aluminum fascia & trim, vinyl soffit
Wide Trim/Shutters: Front of Home – Wide Trim around windows or Shutters
Spouting: Seamless aluminum

8. INSULATION

Exterior walls: R-21 bat
Ceiling above living area: R-38 blown
Superior Wall: R-12.5

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9. STAIRS

Basement: Boxed stairs made w/ yellow pine treads
2nd Floor Stairs: Stained Oak treads w/ painted yellow pine risers
Post & railing: Oak, colonial style. Stained post & railing, painted balusters

10. PLUMBING

Water lines: Flexible plastic
Soil lines: PVC
Water heater: Gas Tankless water heater
Sump: Sump Pump and pit or pipe to daylight for certain daylight basements
Washer/Dryer hook-up: Washer & electric dryer hookup; dryer vent included
Exterior hose bib: One (1) in rear, one (1) in garage

11. ELECTRIC

Main panel: 200 amp service
Recessed lighting: Kitchen
Interior fixtures: Lighting package
Exterior fixtures: Lighting package
Receptacles: Number and placement of electrical outlets per code requirements
Ground fault: One (1) in kitchen; one (1) at bathroom vanities
Smoke detectors: Hardwired & battery backup on all floors – placement per code
Cable Outlets: (6) Cable Outlets; No phone available
Light post: Located at walkway

12. HEATING/COOLING

Unit: Natural gas heat w/ electric central air conditioning

13. INTERIOR FINISHES

Wall surface: Drywall, fastened w/ glue & screws
Trim: 5 1/4" Baseboard and 3 1/4" Casing
Crown Molding: Dining Room
Picture Molding and Chair Rail: Dining Room
Paint: One (1) coat of flat latex paint sprayed on all walls & ceilings; semi-gloss paint on trim & doors
Shelving: Wire closet shelves
Hardware: Aged bronze latches and Hinges

14. FLOOR COVERING

Carpet/vinyl: Chosen from builder's selection
Tile: Within allowance
Engineered Hardwood: Per Plan – Chosen from builder's selection

15. BATHS

Shower – Master Bath: Tile Shower within allowance
Tub/shower – Main Bath(s): White one (1) piece fiberglass unit with shower rod
Toilets: White water savers
Vanities and Vanity Tops: Within "Kitchen" allowance
Faucets: Brushed Nickel
Mirrors: Plate glass – one (1) at each vanity
Lighting: Lighting Package
Exhaust fan: One (1) per bathroom

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16. KITCHEN

Cabinetry: Within "Kitchen" allowance
Counter top: Within "Kitchen" allowance
Sink: Within "Kitchen" allowance
Range: Stainless Steel Appliance package
Dishwasher: Stainless Steel Appliance package
Backsplash: Tile – Within allowance
Disposal: 1/3 Horsepower Disposal
Microwave: Stainless Steel Appliance package
Water line: Water line to refrigerator space

17. GARAGE

Electrical: Three (3) outlet; Socket & bulb for lighting
Floor: Sloped concrete
Walls: Finished – Insulated and drywalled
Overhead door: Insulated – Carriage Style Door with Stockton Style Glass
Door opener: Electric with two openers

18. OUTDOOR AREAS

Porch: Per plan with concrete floor.
Patio: Concrete floating slab per plan
Walk: Concrete from driveway to front stoop or public walk
Driveway: Macadam
Mailbox: None – Community cluster mailboxes installed in development (Required by USPS)

19. LANDSCAPING

Lawn: Grading & seeding
Shrubbery: None

Seller reserves the right to replace any of the materials, systems, appliances, and finishes with that of like kind.

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**SUBPART C - LIMITED WARRANTY
SETTLEMENTS EAST**

1. ONE (1) YEAR COVERAGE

This Limited Warranty commences on the date of settlement, or the date of occupancy, whichever occurs first, and continues for a period of one (1) year from that date. **This Limited Warranty is in effect only if Builder is in receipt of entire sales price.**

2. COVERAGE PROVIDED

During the term of this warranty, and subject to the terms and conditions listed herein, the Seller warrants the home against defects in materials and workmanship in the following items:

- A. The Central Heating, Cooling, and Ventilation Units and their Components.
- B. The Plumbing Unit and its Components.
- C. The Electrical Unit and its Components.
- D. Structural and Finish Components.
- E. Windows, Doors, and Hardware.
- F. The Roof and its Components

The Building Industry Association of Lancaster County's Contractor Quality Commitment Program provides a booklet with approved guidelines for typical construction defect standards. (Building Industry Association 1794 Oregon Pike, Lancaster, PA 17601. 717.569.2674). These standards will be used to determine if a defect exist and the possible remedy. Should the Quality Commitment Program in any way contradict this Limited Warranty the terms of this Warranty shall take precedence.

3. REQUEST FOR WARRANTY SERVICE

An Owner with a Limited Warranty Complaint shall submit a clear and specific **written** request to the Builder at the address shown on this Limited Warranty. Except for an emergency, no Limited Warranty work will be performed until complaint is in writing.

4. REMEDY

Upon receipt of a written complaint the Seller will within a reasonable time examine an alleged defect to determine if this Limited Warranty covers it. A defect covered by this Warranty will be repaired, replaced, or replaced with item of like kind at Builder's expense. Builder reserves the right to charge the Owner a reasonable sum per service call for any request not covered under this Limited Warranty. Any repair or replacement shall not extend the Warranty term. The total liability of this Warranty is limited and shall not exceed the purchase price of the home.

5. CONSEQUENTIAL DAMAGES

Limited Warranty coverage does not include consequential damage or inconvenience resulting from a defect.

6. DISCOLORING

Repair or replacement of interior and exterior surfaces including driveways and sidewalks will be limited to the defective area. Seams and color variations are a normal consequence of repair.

7. RIGHT OF ACCESS

Owner must provide the Builder access to property during normal weekday business hours to perform its obligations under this Warranty. Failure to provide such access will relieve Builder of its obligations.

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8. NON-TRANSFERABLE

This Limited Warranty is not transferable and will terminate if property is abandoned.

9. EXCLUSIONS

This Limited Warranty shall not extend to, include, or be applicable to:

- A. Damages or losses resulting from accidents, civil commotion, acts of God or Nature including but not limited to: windstorms, wind driven water, freezing, floods, sink holes, hail, lightning, fallen trees, earthquakes, explosions, fire, smoke, water escape, or changes in underground water table.
- B. Any condition which does not result in actual physical damage to the home including but not limited to: inhabitability or health risk due to presence or consequence of unacceptable levels of radon gas, mold, formaldehyde, carcinogenic substances or other pollutants and contaminants, or the presence of hazardous or toxic materials.
- C. Coverage on appliances and items of equipment including but not limited to: water heaters, pumps, stoves, ranges, ovens, refrigerators, garbage disposals, dishwashers, washer and dryers, furnaces, air conditioning units, heat pumps, and other similar items is for one (1) year or the manufacturer's written warranty period, whichever is more. Seller hereby assigns any and all manufacturer's warranties to Owner.
- D. Any soil erosion/sedimentation or storm water control management systems that are approved by a governing jurisdiction.
- E. Shrinkage, cracks or movement in concrete foundation, basement walls and slab, and garage floors, which are within normal design performance criteria.
- F. Normal and usual cracks, nail pops, twisting or movement in walls, ceiling, exterior and interior trim and finished items caused by drying, aging or shrinkage of building products.
- G. Floor squeaking and clicking noises caused by interactions among flooring, joists and subfloors when they move.
- H. Existence of a dry basement or loss or damage caused by or resulting from seepage of water. Dampness or condensation due to failure of the Owner to maintain adequate ventilation.
- I. Personal property damage or bodily injury or punitive damages.
- J. Any defect, damage, or loss which is caused or aggravated by negligence of Owner or anyone other than the Builder or his employees, agents, or subcontractors.

10. APPENDIX – SEE ATTACHED

Horst & Son, Inc.
120 North Pointe Blvd. Suite 101
Lancaster, PA 17601

Buyer Initials

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APPENDIX to Limited Warranty – Settlements East

DRYWALL

Areas of the home heated and cooled within a temperature range of 60 to 80 degrees are Warranted. Areas such as garages, 3-season rooms, bonus rooms or basements, if not heated and cooled as above, are not warranted.

Within the first-year anniversary, upon home owners request, a representative of First Rate Drywall will perform a one-time inspection. The inspection will be at no charge if warranty work is observed. Non-warranty work can be performed at a quoted price. Follow up painting is not provided by the warranty.

To self-determine warranty eligibility; using natural light stand roughly 6 feet from the surface being observed.

Warranted. Cracks in plaster wall and ceiling surfaces. (Small round cracks, tape blister or a crack wide enough to insert a credit card.)

Not warranted. Depression or slight mounds over nails. Hairline cracks or other slight imperfections.

Please direct warranty concerns to Amy Murphy at First Rate Drywall. Email: Amy@firstratedrywall.com. or call 717-664-0484 (ext. 304)

LAWN CARE

The home owner is responsible for the care and growth of the new lawn. Lawn is not a Warranted item. Early preparation will go a long way to ensuring success in establishing a lawn that increases the beauty of the home and provides for outdoor enjoyment!

Here are some things to place on the To-Do-List immediately upon closing.

1. Proper Watering and Mowing.
More new lawns fail due to improper follow-up care within the first 4 to 8 weeks than any other time. Information source: Care of newly-established turf at plantscience.psu.edu.
2. Proper Fertilization and Weed Control.
Certain products should not be applied to new lawn. Read the directions and understand the proper use of the product such as, crabgrass and weed control before you purchase for use on your lawn.
3. Soil Testing.
Every property's soil is uniquely different so it is helpful to know what nutrients (pH, phosphorus, potassium) should be applied to your lawn. Testing sample kits can be picked up at 1383 Arcadia Road, Lancaster, Pa 17601. Phone: 717-394-6851.
Information source: extension.psu.edu/lancaster.

It is recommended that the home owner work with a professional lawn care service to help establish the lawn. www.lawncareofpa.org. Weather conditions and the time of year the grass seed is applied will determine the timing for normal types of care.

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Mold, Fungi and Indoor Air Quality

Indoor mold contamination and the inhalation of bioaerosols (bacteria, mold spores, pollen and viruses) have been associated with allergic responses. Mold is not a warranted item. Information about indoor air quality issues is available at: 1) Pennsylvania Department of Health, Phone 1-877-724-3258; 2) Centers for Disease Control and Prevention (CDC), Web site (<https://www.cdc.gov/mold/>) provides information about mold and health and links to mold-related resources.

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**SUBPART D – AUTOMATIC FIRE SPRINKLER SYSTEM OPTION
SETTLEMENTS EAST**

PA Act 1 / House Bill Number 377 Acknowledgement Form.

Buyer has the option to install an automatic fire sprinkler system in accordance with section R313.2.1 of the 2009 International Residential Code.

Information regarding the possible benefits of installing an automatic sprinkler system is made available on the State Fire Commissioner website: www.osfc.pa.gov/pages/residential-sprinkler-systems.aspx.

NOTE: Should Buyer choose to have a fire sprinkler system installed in their home, Buyer will choose a home site and a home model or a custom home plan to be built thereon.

The estimated cost of \$2.50 per square foot to install a fire sprinkler system may not include the cost of complying with local municipality regulations. The estimate is predicated on availability of public water with adequate pressure provided from the street.

Buyer understands there may also be cost involved with maintenance of the system.

After considering the benefits, costs, availability and Seller construction time schedule the Buyer elects one of the following choices with an (X):

- Buyer chose a home that is partially or completely built without a fire sprinkler system.
- Buyer chose not to have a fire sprinkler system installed in a home to be built.
- Buyer chose to have a fire sprinkler system installed in a home to be built.

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PA Act 1 / House Bill Number 377 Acknowledgement Form

- House will be equipped with an automatic fire sprinkler system
- House will not be equipped with an automatic fire sprinkler system

As part of Act 1 / House Bill 377, enacted on April 25, 2011, the builder, of one-family or two-family dwellings, who chooses not to install an automatic fire sprinkler system under the 2015 International Residential Code and any successor triennial code revisions, has contractual obligations as stated below:

1. Offer to a buyer the option to install or equip, at the buyer's expense an automatic fire sprinkler system in the building or dwelling unit designed and installed in accordance with provision of Section R313.2.1 (relating to design and installation of automatic fire sprinkler systems) of the 2015 International Residential Code and any successor triennial code revisions.
2. Provide the buyer with information which explains the initial and ongoing cost of installing and equipping an automatic fire sprinkler system in the building or dwelling unit.
3. Provide the buyer with information, as made available by the State Fire Commissioner or the agency's internet website (www.osfc.state.pa.us), on the possible benefits of installing an automatic fire sprinkler system.

In order to verify that the builder has complied with Act 1 / House Bill 377, the following signatures of the builder and buyer are required below:

Builder Signature	Company Name	Date
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Buyer Signature	Property Address	Date
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*This form must be signed prior to issuance of the Certificate of Use and Occupancy

Copy to Building Permit file

**SUBPART E – HOMEOWNERS ASSOCIATION INFORMATION
SETTLEMENTS EAST**

SETTLEMENTS EAST HOMEOWNERS ASSOCIATION INC.

Sowers Realty Services
(717) 665-3826
William Rittenhouse (717) 285-2301
Fax: (717) 664-1076

INITIAL ASSESSMENT FEE: \$500

CURRENT COMMON AREA MAINTENANCE FEE: \$300/Annually

The lot which is the subject of the Agreement will be incorporated into the SETTLEMENTS EAST Planned Community and Homeowners Association prior to closing.

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All terms of these subparts shall survive settlement.

BUYER AND SELLER HAVE RECEIVED, UNDERSTAND AND AGREE TO THIS ENTIRE ADDENDUM AND ALL SUBPARTS CONTAINED HEREIN.

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

NOTICE TO PARTIES: WHEN SIGNED THIS ADDENDUM IS A LEGALLY BINDING CONTRACT. Parties to this transaction are advised to consult an attorney before signing if they desire legal advice.

Buyer _____ Date _____

Buyer _____ Date _____

Seller _____ Date _____

Seller _____ Date _____

Please provide Buyer information that may prove helpful for urgent communication.
Please print or type.

Name

Name

Home Phone

Home Phone

Work Phone

Work Phone

Email Address

Email Address