

**MASTHOPE MOUNTAIN COMMUNITY
PROPERTY OWNERS COUNCIL
ADJACENT LOT PURCHASE AND LOT COMBINATION
INFORMATION PACKET**

REVISED 2/11/17

THIS PACKET IS FOR INFORMATIONAL PURPOSES ONLY AND NOT MEANT TO CONSTITUTE LEGAL ADVICE AND IS NOT INTENDED TO BE RELIED UPON EXCLUSIVELY BY PROSPECTIVE LOT PURCHASER. IF YOU ARE INTERESTED IN PURCHASING A LOT YOU SHOULD CONSULT AN ATTORNEY.

THE MASTHOPE MOUNTAIN COMMUNITY HAS ADOPTED A COMPREHENSIVE POLICY AND SET OF PROCEDURES FOR CONSOLIDATING LOTS WITHIN THE COMMUNITY. THE FOLLOWING REPRESENTS THE CURRENT ADJACENT LOT POLICY.

NOTICE: ANY CIRCUMSTANCE NOT EXPLICITLY COVERED BY THE POLICIES AND PROCEDURES CONTAINED HEREIN, SHALL BE SUBJECT TO REVIEW AND CLARIFICATION BY THE BOARD OF DIRECTORS. POLICIES/PROCEDURES SUBJECT TO CHANGE BY THE BOARD OF DIRECTORS.

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I. GENERAL INFORMATION MMC CONSOLIDATED ADJACENT LOT POLICY

This consolidated policy supersedes all previous adjacent and resale lot motions, amendments, and policies. In the event of a conflict between this document and a previous policy statement, this document will prevail.

A. THE HISTORY OF THE ADJACENT LOT POLICY & EXPLANATION OF CATEGORY – 1 LOTS.

The original action to reduce adjacent lot dues was initiated by a vote of the membership on November 7, 1998, and was revised and adjusted on February 17, 2001. On September 21, 2002 the Board passed a motion to expand the number of lots eligible for reduced dues to all lots in good standing at the time, with the proviso that they be permanently merged. During the initial period, prior to September 2002, 14 Property Owners participated in the program offered under the original adjacent lot policy. These lots are classified as category-1 lots. The stipulations for these lots were that they would be eligible for a 50% reduction in dues, if the property was not developed or changed from its natural state in any manner.

The dues reduction for these lots will remain at 50% regardless of the discounts given to the other adjacent lots under the subsequent adjacent lot policy. The purchaser will also have the option to permanently combine the lot in accordance with the provisions of the current adjacent lot policy.

All lots purchased after September 2002, will be subject to the stipulations articulated in the balance of this document.

B. DEFINITIONS

Adjacent Lot: A lot that is contiguous to or touches a primary lot or another adjacent lot, regardless of whether the lots share the same road frontage.

Charges: Including, but not limited to: dues, assessments, fees, interest and penalties, etc., applied to a specific lot.

Date of Sale: The date of the Agreement of Sale, or the date of the tax sale.

Member in Good Standing: A member who is current on all charges due on all lots owned in Masthope, including those on payment plans.

Primary Lot: The primary improved or unimproved lot of record on which full charges are due.

Market Value: The general consensus of at least 2 reputable real estate agencies in determining the cost of a MMC lot.

C. TERMS OF AGREEMENT

Prices, formulas, and other procedures noted in this document are subject to change by Board or membership vote. However, the terms of any agreement with the POC will be governed by the terms in place when the agreement was signed.

II. ADJACENT LOT POLICY AND COMBINING PROPERTIES

A. GENERAL APPLICATION AND ELIGIBILITY

Property Owners who are in good standing may opt to have their adjacent lot permanently reclassified to adjacent lot status pursuant to the terms and conditions stipulated below or may opt to combine 2 or more of their properties.

B. PROCEDURE FOR COMBINING LOTS

1. Parties interested in combining lots should contact the POC office, or go online to masthope.org to download a copy of the Masthope POC Adjacent Lot Purchase and Lot Combination Information Packet. A copy of the Combined Lot Agreement is contained in this packet, along with a copy of this policy, and other important information.
2. All Combining of Lots Agreements must be submitted to the POC office for receipt and approval. (See page 5)
3. The combined lots must be filed and approved by the Township and the Pike County Recorder of Deeds. Whichever lot number is changed by the Township or Pike County will also be changed by the POC.
4. No account will be adjusted by the POC until the POC receives proof of a newly recorded deed showing the successful combining of the lots.

C. RIGHTS & RESTRICTIONS

1. Permission to re-subdivide a lot which was combined under this policy will require a 2/3 vote of the membership (in person or by directed proxy) at a general membership meeting for which notice of the request to re-subdivide was given. In the event that approval to re-subdivide is achieved, the balance of the previous three years' waived charges would become due.
2. Once the lots are combined, a Property Owner may utilize the combined property in the same manner as the Covenants presently allow for single lots (additions, accessory structures, driveways, etc.) The newly combined lots are subject to the existing multiple lots(s) setback requirements.
3. An application for the combining of four or more lots shall be subject to Board approval on a case-by-case basis.
4. Owners of combined lots will **not** be entitled to additional membership passes, ski passes, guest passes, amenity usage, or voting rights once the lots are combined.

D. EXEMPTION OF CHARGES

1. Any member in good standing who buys a lot or lots from a property owner, Masthope, or from Pike County, and commits by written agreement to the combining of the lot(s), will be exempt from paying prior years' charges due at the time of the sale. However, the process must be completed within a six-month period. All applicable charges will be due on a lot from the time the lot was acquired until the time lot combination is complete. Once the combination is completed and documented, an account credit equal to the difference between the full dues paid and the discount in effect at the time will be issued.
2. No Capital Improvement Fee(s) will be imposed on any lot or lots initially purchased for the express purpose of combining pursuant to this policy. However, this fee may be reinstated if the purchaser fails to merge the lots within the sixth month period.
3. Requests for extensions of the initial six-month period must be submitted in writing for approval by the Board or its designated committee or staff representative.

E. PURCHASER'S RESPONSIBILITY

1. Prospective purchasers shall be responsible for all expenses associated with the purchase/combination procedure, including, but not limited to: title searches, surveys, plot plan preparation, obtaining quiet title, recording fees, transfer taxes, environmental studies, wetlands delineations, and attorney fees.
2. Prospective purchasers are advised that lots purchased may not have a clear title. The purchaser is responsible to clear the title.

MASTHOPE MOUNTAIN COMMUNITY
PROPERTY OWNERS COUNCIL

196 Karl Hope Blvd
Lackawaxen, PA 18435

PHONE: 570-685-4790
FAX: 570-685-2701

Lackawaxen Township
116 Township Square Rd.
Lackawaxen, PA 18435

Attn: Planning Commission and Township Supervisors

Re: Masthope community properties _____ and _____ (list both)

This letter is to advise Lackawaxen Township that Masthope has no objection to your approval of the lot combination on the above-identified two properties, which are part of the Masthope Mountain Community.

We appreciate your consideration of our input.

Sincerely,

Masthope Office Complete: _____

Both properties in good standing _____ by: _____

Location checked re any conflicts _____ by: _____

Signature of owner, confirming that he/she read the Masthope POC Lot Combination Information Packet.

_____ date: _____

III. POLICIES REGARDING PURCHASE OF MMC LOTS BY PROPERTY OWNERS

A. GENERAL APPLICATION

Property Owners in good standing may apply to purchase Masthope owned lots and receive special pricing and discounts, providing the lot(s) is part of a multi-lot adjacent lot package.

B. APPLICATION & NOTIFICATION

1. Anyone interested in purchasing a MMC lot under this policy must register their intent in writing, email or fax with the MMC office, using the documents contained within this packet.
2. Any written notification coming from the MMC office, Board of Directors, or a designated committee or staff representative regarding the availability of MMC owned lots must be responded to in writing within 30 days from the date on the letter or the recipient will be withdrawn from consideration and must reapply for renewed consideration and standing. Verbal messages left with MMC staff or on MMC voice mail systems will not be considered as official responses.
3. Lots purchased in accordance with this policy, and not combined in the required six-month period, will be subject to the payment of the full primary price on each lot purchased, plus the balance of all charges that were waived or accrued during that period on each lot.

C. PRICING FORMULAS & PROCEDURES

1. The pricing of Masthope owned lots will be reviewed and may be adjusted periodically by the Board of Directors.
2. Property Owners in good standing will be eligible for a Property Owner's discount on the purchase price of designated Masthope owned lots. The amount of the discount will be established by the Board.
3. Lots purchased from Masthope will be charged the current dues, pro-rated from the date of sale through April 30th, along with any other charges due at the time of the sale.

D. SALE & RESALE RESTRICTIONS

1. Lots purchased in accordance with this policy, and re-sold within a three-year period shall be subject to the MMC's right of first refusal to buy back said lots at the original purchase price, and will be subject to the payment of the balance of all charges waived during that period.
2. All sales of MMC owned lots must include an **Agreement of Sale**, which references and binds the buyer to the terms of this Adjacent Lot Purchase and Lot Combination Packet with appropriate revision dates.

E. THE POC LOT ACQUISITION FUND

All revenues received from the sale of POC property will be held in an ongoing property acquisition Real Estate fund. This fund shall be used for the purpose of acquiring properties for the MMC, in conjunction with the MMC long-term development plan, and for the funding of lot acquisition, and ongoing maintenance expenses. The status of this fund shall become a regular component of the Treasurer's Report. This fund may be dissolved at any time by a majority vote of Property Owners at a general membership meeting (in person or by directed proxy) for which notice of this intention was given.

F. PRICING FORMULA

1. TERMS OF AGREEMENT

Prices, formulas, and other procedures noted in this document are subject to change by vote of the Board of Directors or the Membership. However, the terms of any specific agreement with the MMC will be governed by the terms in place when that agreement was signed, even if those terms are subsequently revised or eliminated.

2. PRICING FORMULA FOR MMC OWNED LOTS

The pricing formula is established and revised by a 2/3 majority vote of the Board of Directors. The current formula to be used for the establishment of the market value (established by consensus of a minimum of 2 reputable real estate agencies) of MMC owned lots is:

- a. The price of the 1st adjacent lot will be 50% of the first lot's market value.
- b. The price of all additional adjacent lots will be 30% of the first lot's market value.

G. ADJACENT LOT DUES REDUCTIONS

The percentage of reduced charges on adjacent lots is established and revised by a majority vote of the membership voting at a general membership meeting (in person or by directed proxy) for which notice of intent to take such action was given. Currently, Property Owners in good standing, who have successfully completed the combination of their adjacent lot(s) with a primary lot, will be eligible for the following reduction in charges.

1. The dues on a first adjacent lot will be 35% of the unimproved lot charges for the current year.
2. The dues on a 2nd, 3rd, or higher numbered adjacent lot will be 17.5% of the unimproved lot charges for the current year.

H. MMC LOT PURCHASE AND LOT COMBINATION INFORMATION PACKET

All parties interested in purchasing, and or combining lots in accordance with the MMC Adjacent Lot and Lot Combination Policy are required to read and acknowledge in writing that they have received and understood the terms and procedures contained within this packet.

**MASTHOPE MOUNTAIN COMMUNITY
PROPERTY OWNERS COUNCIL
196 Karl Hope Blvd.
LACKAWAXEN, PA 18435
PHONE (570) 685-4790 * FAX# (570) 685-2701
E-mail: Masthope@ltis.net Web site: www.masthope.org**

Request to be put on List for Purchase of Masthope Lot(s)

I, the undersigned hereby attest that I have read and understand the MMC ADJACENT LOT PURCHASE AND LOT COMBINATION POLICY and hereby agree to the combining of the Masthope lots, if purchase of the MMC lot(s) is granted. I also understand that no title search has been done on this Masthope property. I will be responsible to clear any title problems that may exist on this property. Masthope recommends that prior to purchase, **the interested party should have the title searched.**

I also understand that there is a \$1,000.00 primary deposit due, per lot requested, that must be received within 30 days of receipt of this document.

If I get approved to purchase the Masthope lots, I understand, I will have 6 months, from date of receipt of the deed, to complete the combining of the lot(s) purchased from Masthope with my lot and/or 2nd and 3rd (if applicable) Masthope lot purchased. Pursuant to Adjacent Lot Policy rules, if this signed agreement and administration fees are not received by the MMC within 30 days, I understand that my name will be removed from the Lot Request List.

Please confirm lot(s) interested in: _____

Cost of Masthope Lot# _____ for Property Owner is _____ plus \$175 Administration Fee.

Please Print or Type: _____
(Full Name – Owner 1)

Street Address: _____

City, State and Zip: _____

Please Sign: _____ Date Signed: _____
(Full Name)

Please Print or Type: _____
(Full Name – Owner 2)

Please Sign: _____ Date Signed: _____
(Full Name)

Please Print or Type: _____
(Full Name – Owner 3)

Please Sign: _____ Date Signed: _____
(Full Name)

IV. GENERAL INFORMATION ON PURCHASING MASTHOPE OWNED PROPERTY OR TAX SALE LOTS AND COMBINING THE LOTS

This section has been put together for:

- A. Property Owners wishing to buy a property adjacent to theirs, and the opportunities available to them upon the purchase of a Masthope owned or a tax sale lot.
- B. Property Owners or Non-Property Owners wishing to purchase Masthope owned or tax sale lots.

A current Property Owner interested in the purchase of a MMC owned property, adjacent to their property, or a Property Owner, or Non-Property Owner wishing to purchase multiple owned Masthope lots would need to follow the procedures as outlined below:

1. Establish that the adjacent property is owned by Masthope and is on the MMC availability list. Contact the MMC office for the availability list. (570)685-4790.
2. Once availability has been established, prices can be checked, see Section III F, "Current Pricing Formula." The interested party would then:
 - a. Complete the "Request to Be Put on the List for Purchase of Masthope Lot(s)" Section III. (Note: everyone who is to be on the deed must sign this application)
 - b. Pay a \$1,000 deposit for each lot that is requested. This fee will be applied to the selling price upon closing.
 - c. The Property Owner(s) have thirty (30) days to return the signed forms.
3. If approval is given, the Board of Directors will sign off on an "Approved for Purchase Form," See form following.
4. The MMC Office will prepare an Agreement of Sale Section IV.
5. These 2 forms would then be sent to the requesting party for their signature(s). The forms must be signed by all owners who are on their deed. The names on the Approval Form need to be the same as the deed on an adjoining property for the combination to be completed smoothly.
6. Masthope retains an attorney for the sale of Masthope owned properties. There will be a separate/additional charge of \$175.00 for a MMC administration fee. This fee should be sent with the deposit on a separate check.
7. Once these completed forms and payments are received, the forms will go to the Board of Directors for review and the signature of the Board President (or director assigned by the Board), after which they will be sent to Masthope's attorney for deed preparation, etc.
8. Once the deed is prepared by the attorney, a settlement arrangement will be made by the attorney.
9. At settlement, the purchaser should be prepared to have a check, or other acceptable form of payment, ready to pay the balance due on the property/properties being purchased.
10. The attorney will then record the newly acquired property/properties with the Pike County Recorder of Deeds, Administration Building, in Milford, PA.
11. The purchaser will be required to give proof to MMC, within those 30 days, of the new property being recorded, at which time the property will be changed in MMC records to the new owner.
12. To receive a reduction in dues on the new property, the purchaser(s), having signed and dated the Combined Lot Agreement, will have their dues reduction prorated by the MMC office, as of the date of proof of recording of the combined properties. The reduction will be given (see below, for suggestions and policies of the combining of lots) after the process of the lot combination is completed within the 6-month time of the deed.
13. Extensions can be applied for, in writing, email or faxing, for extenuating circumstances. If no extension requested, the new owner will need to re-sign a new Combined Lot Agreement and the dues reduction will not begin until the combination is completed.
14. Requests for the combining of four or more lots shall be decided by the Board of Directors on a case-by-case basis.
15. Lots purchased in accordance with this policy, and not combined in the required six-month

period, will be subject to the payment of the primary lot market value on each lot purchased, plus, the balance of all charges that were waived or accrued during that period on each lot.

16. MMC will retain the right of first refusal.
17. Lots purchased, and not combined, under this policy cannot be resold without the approval of the Board of Directors. MMC retains the right to repurchase the lot at the original sale price for a period of 3 years.

For any additional information, or changes to these procedures, please contact the MMC office (570)685-4790.

The following items may not be in exact chronological order; however, they are meant to inform each prospective Property Owner desiring to combine lots what some of the procedures are. It is our recommendation that an attorney be consulted because some of the procedures are legally complicated.

- A. Seek advice from a local attorney, perhaps contracting him/her to handle the matter.
- B. Complete the MMC Approval to Combine Lots Form.
- C. Contact the Township zoning officer, to direct you through part of the process.
- D. If you are combining an unimproved lot to an improved property or putting up a home on combined properties, contract with a surveyor to have the property surveyed in its entirety, and to have the internal lot lines deleted.
- E. Check with the Township and/or the Pike County Tax Office for the amount of the reduction of taxes.
- F. Check with Masthope for application of dues reduction.
- G. Check with Water and Sewer Company for any fees/arrears due them, and also for a possible reduction of sewer and water fees.
- H. Submit new deed with commended lot lines detailed to:
 1. Lackawaxen Township Code Official
 2. Pike County Recorder of Deeds
 3. Secure a set of building permit applications from the township, and also from MMC if construction is planned.
- I. Contact telephone numbers:
 1. Masthope Mountain Community Office 570-685-4790, masthope@ltis.net.
 2. Lackawaxen Township Zoning Officer 570-685-7288.
 3. Pike County Recorder of Deeds (570) 296-3508, <http://www.pikepa.org/recorder.htm>

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Name: _____

Address: _____

Phone: (_____) _____ Email: _____

Date: _____

Regarding to your request to be put on the list to purchase a Masthope owned property; below is an agreement to combine your lot with the Masthope lot you requested. This agreement will need to be signed to be considered by the Masthope Board of Directors, or their designated representative(s) to purchase the lot(s) requested. If you are still interested in purchasing lot(s) _____, please complete this form, and return it within 30 days of the date of this letter. If this signed agreement is not received by the MMC POC within the 30 days of the date of this letter, please understand that your name will be removed from the Lot Request List. You would be able to reapply and that date will be used on a first come/first served basis.

The purchase price of the lots, for a Masthope Property Owner, would be \$ _____, upon signing the Combination Agreement with Masthope the price of the property would be reduced to \$ _____, A \$1,000.00 good faith deposit and a \$175.00 administration fee for deed preparation, etc. would need to be received with this signed document. The balance of \$ _____ will need to be paid upon receiving of the quit claim deed from Masthope.

If you need further information on the process of purchasing a Masthope Owned Property, please contact the MMC office.

Combining of Lots Agreement

I, the undersigned hereby attest that I have read and understand the **MMC ADJACENT LOT PURCHASE AND LOT COMBINATION POLICY**. I further understand that I have 6 months from this day to complete the combining of lots _____, _____. I, the undersigned, hereby agree to combining of Masthope lot(s), with my current lot owned (if applicable), if purchase of the MMC lot(s) is granted.

If I am approved to purchase the Masthope lot(s), I understand that I will have 6 months from the date of receivership of Quit Claim Deed to complete the combining of my lot and the lot(s) purchased from Masthope. Pursuant to MMC office rules, if this signed agreement is not received by the MMC within the 30 days of the date of this letter, I understand that my name will be removed from the Lot Request List.

Please confirm lot(s) interested in: _____

Please Print or Type: _____
(Full Name – Owner 1)

Please Sign: _____
(Full Name)

Please Print or Type: _____
(Full Name – Owner 2)

Please Sign: _____

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AGREEMENT OF SALE

THIS AGREEMENT, made this _____ day of _____, in the year two thousand _____,
BETWEEN **MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNER'S COUNSEL, Sellers AND**
_____, **Buyers.**

WITNESSETH

THAT the said Sellers, in consideration of the covenants and agreements hereinafter contained, on the part of the said Buyers to be kept and performed, they agreed and do hereby agree to sell and convey unto the said Buyers, their heirs or assigns, all the land and premises hereinafter mentioned and fully described, for the sum of _____ (\$ _____ .00) to be paid as follows:

Deposit received:	\$ _____ .00
Upon execution of this Agreement:	\$ _____ .00
Cash or Certified Check at Closing:	\$ _____ .00

And the said Buyers also agree to pay all taxes that may be levied upon said land from and after closing. Closing shall be accomplished by mail, unless otherwise agreed upon.

AND upon the payment of the said sum, the said Sellers will, at closing, make, execute and deliver to the said Buyers, a good and sufficient DEED for premises.

AND IT IS FURTHER AGREED, by and between the said parties that possession of said premises shall be delivered to the Buyers, their heirs, or assigns, on or about the: _____ day of _____, 20_____.

The said premises are described as follows:

Sellers agree to release all liens they maintain against said property and will execute all forms necessary to effectuate insurable title; Sellers, however, reserve the right to seek execution of judgment against prior owners of the property.

The risk of loss or damage to the premises by fire, casualty, Act of God or otherwise, is assumed by the Seller until title passes to the Buyers.

State and Local Documentary Realty Stamps shall be paid by the Buyers.

This Agreement is made under and subject to any pole line rights of way, including both electric pole line rights of way and telephone pole line rights of way in relation thereto. Sellers make no representations as to the quality or insurability of the title being conveyed. Buyers are strongly encouraged to conduct a full title search on the property before consolidating the same with another property or before building on the same. Sellers have not conducted a search on the property and cannot warrant the title.

Buyers acknowledge that a quit claim deed or an action to quiet title may be required to ensure the title is clear and insurable with a title insurance company.

Neither this Agreement nor any term or provision hereof may be amended, changed, waived, discharged or terminated orally, but only by an instrument in writing, signed by the party against which the enforcement if the amendment, change, waiver, discharge or termination is sought.

This Agreement shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania.

This Agreement shall be binding upon and shall inure to the benefit of, the respective parties and their successors and assigns, except that no assignment hereof by the Buyers shall be permitted without the written consent of Seller.

This Agreement is contingent upon the Buyer subsequently performing a lot consolidation of this property and his own after conveyance from Seller, unless otherwise stated with Seller. This provision shall survive closing, as the Buyer is receiving a reduced purchase price based upon this condition. Should the lot consolidation not occur within 6 months of the transfer of the property, and the Buyer has not provided adequate grounds for failing to do so (i.e. and Action to Quiet Title being commenced or underway), the Seller reserves the right to demand the additional consideration of \$ _____ .00. Said additional consideration shall be filed by way of confession of judgment with no right to hearing or notice to be heard against Buyer in the Pike County Prothonotary's Office.

Buyer agrees that should he attempt to sell this property within three years from the date of closing, Seller retains a right to repurchase the property at the agreed upon sale price of this agreement.

The Buyer(s) agree to be bound by the provisions stipulated in the "MMC Adjacent Lot & Lot Combination Policy", revised 12/6/16.

This Agreement has been read by the parties hereto, fully explained to them and they understand the contents hereof.

This Agreement constitutes the entire agreement and there are no outside promises, warranties or assurances that either party has made that is not documented in this Agreement. The representations and covenants made in this agreement shall survive closing.

Additional conditions of sale: lots shall be combined into one parcel if Buyer does not currently own property in Masthope Community. Lots shall be combined within six months after conveyance unless otherwise agreed to by the association.

IN WITNESS WHEREOF, the said parties to this Agreement have hereunto set their hands and seals the day and year first above written.

SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

Seller

Buyer

Buyer

ADDENDUM

V. GENERAL INFORMATION ON PURCHASING NON MASTHOPE OWNED PROPERTY OUT OF PIKE COUNTY TAX CLAIM BUREAU

For Masthope properties taken for taxes contact: Milford Tax Claim Bureau, 506 Broad Street, Milford, PA, 570-296-3407

A. TAX SALES IN THE COMMONWEALTH OF PENNSYLVANIA

1. Upset Sale – The “upset sale” is the first sale held by the Tax Claim Bureau as a result of delinquent real estate taxes. There is a minimum bid, which is the “upset sale price.” The upset sale price consists of the amount of the unpaid real estate tax, any tax liens due the Commonwealth, and any taxes accrued for the current year whether or not returned to the Tax Claim Bureau, the costs of sale, and any other municipal claims. [72P.S.Section 5860.605]

An upset sale will not divest liens. [72P.S.Section 5860.609] Any sale is therefore subject to all mortgages and judgments.

2. Judicial Sale – If the property is not sold at an upset sale, the Tax Claim Bureau may petition the Court to hold a judicial sale. The petition must be filed with the Court averring that the property was exposed at upset sale and that no bids were made sufficient to pay the upset price. All lien holders and taxing bodies must be served with the Petition which is in the form of a Rule to show Cause. If there are no objections, the Court may proceed to schedule the judicial sale. [72P.S.Section 5860.610 612]

Property purchased at a judicial sale should be free and clear of all mortgages and/or judgments if the Petition was properly served.

A judicial sale will divest liens, so long as there is proper service of the Petition and Rule to Show cause on all those holding claims. [72P.S.Section 5860.612] Sale is “to the highest bidder,” however, the Court may order that the minimum bid must be for the Tax Claim Bureau’s costs.

3. Repository Sale – All properties exposed to sale at judicial sale, which are not purchased automatically, go to a “repository for unsold properties.” The Tax Claim Bureau must maintain a list of properties in this category. [72P.S.Section 5860.626] The Tax Claim Bureau may accept an offer of any price for property placed in the “repository for unsold properties” without Court approval and without published notice of sale. Properties coming out of the repository are free and clear of all liens except ground rents, i.e., and the same title that comes out of the judicial sale.

VI. SOME FACTS YOU SHOULD CONSIDER BEFORE BUYING A LOT FROM PIKE COUNTY

Pike County offers for sale to the public properties that have been forfeited by their owners for delinquent real estate taxes.

From time to time, Masthope lots are included in the Pike County Tax Sales. These are available for purchase. It is necessary to attend the sale, or have a representative attend, to acquire such a property.

Notwithstanding, a purchaser should be careful when buying a Tax Sale lot. If the previous owner did not have a good title, good title will not pass by merit of the sale to the new buyer. Additionally, the rules pertaining to the sale of properties for delinquent taxes must have been strictly complied with in order for lien divestiture to be effective. For this reason, a party interested in buying a Tax Sale lot should consult an attorney and/or conduct a title search prior to purchase. An attorney can be engaged to file an “Action to Quiet Title” which may remedy any irregularities in the sale or chain of title. Lenders and title companies usually require an “Action to Quiet Title”

prior to loaning money against the property. Additionally, a subsequent buyer may also require an "Action to Quiet Title."

NOTE:

THE ABOVE STATEMENT IS NOT INTENDED TO CONSTITUTE LEGAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. IF YOU ARE INTERESTED IN BUYING A TAX SALE LOT, YOU SHOULD CONSULT AND OBTAIN LEGAL ADVICE FROM YOUR ATTORNEY.

AS A PART OF THE MASTHOPE POC LONG-TERM DEVELOPMENT PLAN, THE POC, MAY FROM TIME TO TIME ACTIVELY BID ON AND PURCHASE MASTHOPE LOTS OUT OF THE PIKE COUNTY REPOSITORY. CONSEQUENTLY, IT MAY BE POSSIBLE FOR PERSPECTIVE BUYERS TO PURCHASE MASTHOPE LOTS DIRECTLY FROM THE POC.

VII. GLOSSARY OF TERMS

A. Lien:

A lien is a legal obligation which affects title to real property. A lien is usually in the form of a mortgage, judgment or unsatisfied tax or municipal obligation. In order for such an obligation to constitute a lien on property, document evidencing such obligation must ordinarily be filed of record at the appropriate county office. Mortgages are recorded in the Recorder's Office, while judgments are recorded in the Prothonotary's Office. Additionally, the Pike County Tax Claim Bureau maintains a record of unpaid real property taxes. Generally, if a property is purchased without a lien being satisfied, the lien continues on the property and the new purchaser takes the property subject to the lien.

B. Title Search:

A title search is a search of all of the relevant records found in the County offices in order to determine if there are any liens which affect the property, and whether the current owner has clear title. Title to the property can be encumbered by matters other than liens. For instance, the property may be affected by easements for power lines, or water and sewer lines. The title search also determines whether the purported owner does in fact own the property. A title search usually covers a period of sixty (60) years.

C. Quit Claim Deed:

A Quit Claim Deed is a Deed whereby the present owner of the property conveys the property to a third party, without any representations or warranties as to the quality of the title. When a purchaser takes a Quit Claim Deed, they are taking whatever title the previous owner had to the property. The previous owner makes no representations or warranties that the title to the property is good.

D. Quiet Title Action:

A legal action filed in Court in order to eliminate a title problem which may affect a particular property. In the context of properties which have gone through a tax sale, a Quiet Title Action is usually filed in order to thoroughly divest the former owner's interest in the property. In this context, a Quiet Title Action is usually served on the previous owner of the property who is given an opportunity to contest the new owner's claims to title in Court. Such actions are rarely defended and usually conclude with an Order of court providing that the present owner has good title to the property and that the former owner has no title or claims on the property whatsoever.

E. Prothonotary:

In the Commonwealth of Pennsylvania, the Prothonotary is an elected officer who is responsible for maintaining an office in order to record and keep records of all county legal proceedings, including the filing of civil lawsuits and judgments. In other states, the Prothonotary is more commonly known as a Clerk of Courts.

F. Office of the Recorder:

The Office of the Recorder in the Commonwealth of Pennsylvania is an elected position. The Recorder is in charge of maintaining records pertaining to the conveyances of real property in the County. All deeds and mortgages are recorded in the Recorder's Office.

G. Tax Claim Bureau:

The Tax Claim Bureau is another County office responsible for the collection of delinquent real property taxes. The function of the Tax Claim Bureau is to conduct the upset sales, judicial sales and repository sales set forth above.

H. Agreement of Sale:

A document that specifies the terms under which ownership of real (tangible) or intangible property or assets are conveyed from one owner to another. Terms covered by the sales agreement can include price, timing of the transaction and any assets or liabilities that are packaged with the item(s) being sold.