

**FRASER CENTRE CONDOMINIUMS**

**RESERVATION OF UNIT AGREEMENT**

**1. PRELIMINARY**

Fraser Associates, L.P. ("Seller") plans to construct a condominium development with approximately fifty-three (53) condominium units (the "Building") at 211 W. Beaver Avenue, State College, Pennsylvania (the "Condominium Property"). The proposed unit that is the subject of this Reservation is \_\_\_\_\_ (the "Unit"), consisting of approximately \_\_\_\_\_ usable square feet of floor area on the \_\_\_\_\_ floor of the building.

**2. AGREEMENT**

\_\_\_\_\_, ("Purchaser"), whether one or more, has expressed an interest in buying the Unit, and Seller has expressed an interest in selling said Unit, for the purchase price hereinafter set forth (the "Purchase Price"), subject however to the subsequent execution by Purchaser and Seller, within the time period hereinafter provided, of an Agreement of Purchase and Sale with respect thereto (the "Purchase Agreement"). Seller and Purchaser acknowledge that no condominium declaration has yet been filed in the public records. Seller and Purchaser further acknowledge that completion of the construction of the Unit may take Thirty (30) months or more from the execution of this Reservation Agreement.

**3. PURCHASE PRICE**

The Purchase Price ("Purchase Price") for the Unit shall be \_\_\_\_\_

**4. RESERVATION TERM**

This Reservation shall remain in full force and effect until Seller or Prudential Homesale Services Group puts Purchasers on notice that they may enter into a Purchase Agreement (from the date of execution of this Agreement until notice that Purchaser may enter into an Agreement of Sale shall be the "Reservation Term"). Upon providing such notice to Purchasers, Purchasers shall have 10 business days to enter into an Agreement of Sale with Seller. If Purchaser does not enter into an Agreement of Sale within 10 business days, this Reservation may be deemed "null and void" by Seller and the parties' obligations to each other would be extinguished.

**5. RESERVATION DEPOSIT**

Contemporaneously herewith, Purchaser has delivered to Prudential Homesale Services Group the sum of FIVE THOUSAND, AND NO/100 (\$5,000.00) DOLLARS (the "Deposit"), in cash, which sum shall be held without interest, in trust, during the Reservation Term. If the Purchase Agreement is executed, the Deposit shall be credited toward the total deposit required under the Purchase Agreement. If Purchaser and Seller are unable in good faith to reach an agreement on the Purchase Agreement and same is not executed within ten(10) days after the notice from Seller set forth in Paragraph 4 above, the Deposit shall be promptly refunded to Purchaser in full.

**6. EFFECT OF RESERVATION**

Seller and Purchaser are obligated to negotiate in good faith the terms of the Purchase Agreement for the Unit at the Purchase Price. However, that Purchaser may terminate this Reservation at any time

by giving written notice thereof to Seller, in which event the Deposit shall be returned to Purchaser and the parties shall have no further obligation hereunder.

In consideration of the delivery of the Deposit and the execution of this Reservation, Seller agrees that it will not enter into a purchase and sale agreement for the Unit to any other party during the Reservation Term; provided however, Seller may continue its usual and customary marketing efforts.

Purchaser and Seller expressly understand and agree that under this Reservation, Purchaser is not obligated to purchase and Seller is not obligated to sell the Unit, and such obligations will not arise unless Seller and Purchaser subsequently execute the Purchase Agreement. This Reservation does not give the Purchaser any right or interest in the Unit. The sole obligation of the parties is to negotiate in good faith with the other to enter into the Purchase Agreement for the Unit at the Purchase Price, subject to the terms and conditions hereof.

Purchaser understands and acknowledges that Seller may elect not to proceed to develop the Building as a condominium as described above for any reason whatsoever at Seller's sole and complete discretion. In such event, Seller shall give notice thereof to Purchaser and the Reservation Term shall be deemed to end three (3) business days after the date of Seller's giving such notice, Prudential Homesale Services Group shall return Purchaser's Deposit in full.

## **7. NOTICES**

All notices under this Reservation must be in writing and shall be considered given when delivered by hand, overnight courier, or FAX to Seller, c/o John Linton, Prudential Homesale Services Group, 2525 Eastern Blvd., York, PA 17402, or FAX: 717-718-7147. If hand delivered or sent by overnight courier or by FAX, said notice shall be deemed received on the date of actual receipt.

## **8. PUBLIC OFFERING STATEMENT**

Purchaser acknowledges that Purchaser has not received from Seller a copy of the Public Offering Statement relative to the Unit, and Purchaser and Seller agree that this Reservation Agreement and the Purchase Agreement shall be subject to delivery and acceptance of said Public Offering Statement in accordance with applicable law.

## **9. RESTRICTION**

The Unit is for residential use by unit owners only provided that the use of the Unit as a home office shall be permitted subject to restrictions as established by the Condominium Association concerning the number of visitors or clients which may frequent the Unit. The use of the Unit is further restricted by a Declaration of Restrictive Covenants for Fraser Centre, State College Borough, Centre County, Pennsylvania recorded in the Office of the Recorder of Deeds for Centre County at Record Book 02021-731, which among other things provides that the Unit may not be used as a student home which is a living arrangement by persons unrelated by blood, marriage or legal adoption who are attending programs offered by colleges or universities. By executing this Reservation, Purchaser warrants and represents that Purchaser intends to and will use the Unit for residential purposes only except as otherwise permitted herein, and is not entering into this Reservation for any other reason or purpose.

## **MISCELLANEOUS**

This Reservation is personal to Purchaser. Neither this Reservation nor any of Purchaser's rights

hereunder, including Purchaser's right to the return or a refund of the Deposit, shall be assigned, transferred, or encumbered by Purchaser without the prior written consent of Seller in Seller's sole discretion and any attempt to do so without such consent shall be void and of no effect. Seller's failure or refusal to give its consent to an assignment shall be in Seller's sole discretion and shall not give rise to any claim for damages against Seller.

This Reservation shall not be recorded, and the rights of the Purchaser hereunder shall be fully subordinate to all rights of any lender now or hereafter having a lien or mortgage on the Building and/or Condominium Property and/or any rights or appurtenances thereto or any part thereof.

The effective date of this Reservation shall be the date upon which both Seller and Purchaser have executed this instrument and the Deposit has been received by Seller.

Purchaser acknowledges that this Reservation may be assigned by Seller to a single purpose entity to be formed for purposes of developing the condominium property.

**Purchaser acknowledges that Prudential Homesale Services Group is the sole real estate broker in this transaction and is a dual agent, unless stated otherwise here:**

\_\_\_\_\_.

**AGENT FOR SELLER:**

**Prudential Homesale Services Group**

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

**Date:** \_\_\_\_\_

**PURCHASER:**

\_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Date:** \_\_\_\_\_