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**DRAFT**

**SAMPLE**

**DECLARATION OF PLANNED COMMUNITY**

**OF**

***SOMERFORD AT STONER FARM,  
A PLANNED COMMUNITY***

Pursuant to the provisions of the  
Pennsylvania Uniform Planned Community Act,  
68 Pa.C.S. §5101, et seq.

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**DECLARATION*****SOMERFORD AT STONER FARM,  
a Planned Community*****ARTICLE I.  
SUBMISSION; DEFINED TERMS**

Section 1.1 Declarant; Property; County; Name. Sonshine Holding LP, a Pennsylvania limited partnership, with offices at 227 Granite Run Drive, Suite 100, Lancaster, Pennsylvania 17601 ("Declarant"), is the owner and equitable owner in fee simple of the Real Estate located in Manheim Township, Lancaster County, Pennsylvania, the legal description of which is designated Exhibit "A" and attached hereto. Declarant, and Lancaster Bible College solely as the title owner of a portion of the Real Estate to which Declarant is equitable owner as further described in the Joinder hereto attached, hereby submit the Real Estate including all easements, rights and appurtenances thereunto belonging and the buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §5101 et seq. (the "Act"), and hereby creates with respect to the Property a Flexible Planned Community, to be known as "Sommerford at Stoner Farm, a Planned Community" (the "Planned Community").

Section 1.2 Easements and Licenses. Included among the easements, rights and appurtenances referred to in Section 1.1 above are the following recorded easements and licenses, covering the Real Estate hereby submitted to the Act:

1.2.1 Any restrictions on use, occupancy and alienations set forth in the Public Offering Statement and the attachments thereto.

1.2.2 Unrecorded easements, discrepancies or conflicts in boundary lines, shortage in area and encroachments which an accurate and complete survey would disclose.

1.2.3 Title to that part of the premises lying in the bed and right of way of all roads, driveways and alleyways is subject to public and private rights therein.

1.2.4 Rights granted to Defense Plant Corporation as in Record Book F-37, Page 515, as assigned to Texas Eastern Transmission Corporation as in Record Book C-39, Page 342, and as amended in Record Book 2508, Page 536.

1.2.5 Notice of Condemnation-Eminent Domain Proceedings with the Commonwealth of Pennsylvania Department of Highways as in Record Book A-57, Page 929.

1.2.6 Access rights retained in Record Book 3681, Page 441, and Instrument No. 5106249 and by Agreement Regarding Access Rights as in Instrument No. 5106250.

1.2.7 Rights granted to Sun Oil Company as in a Right-of-Way Agreement dated April 12, 1930, and recorded in Record Book B-30, Page 47.

1.2.8 Rights granted to the Township of Manheim as in Record Book W-74, Page 385.

1.2.9 Application for ACT 319 (Clean and Green) as set forth in Record Book 5169, Page 649, as continued in Document Id No. 5980614 and 6086615, and Termination of Act 319 (Clean and Green) to be recorded.

1.2.10 Matters shown on a plan recorded in Plan Book J-163, Page 96, including notes on said plan.

1.2.11 Matters shown on a plan recorded in Plan Book J-213, Page 133, including notes on said plan.

1.2.12 Existing Detention Basin Easement as shown in Plan Book J-213, Page 133.

1.2.13 Sanitary sewer easement to the Manheim Township Municipal Authority as shown in Plan Book J-213, Page 133.

1.2.14 Rights granted to Susquehanna Pipe Line Company as in Deed Book B, Volume 31, Page 575 and as in Deed Book E, Volume 57, Page 678.

1.2.15 Rights granted to Defense Plant Corporation as in Deed Book F, Volume 37, Page 515, assigned to Texas Eastern Pennsylvania Corporation as in Deed Book C, Volume 39, Page 342, and Supplement to Easement as in Deed Book W, Volume 66, Page 971.

1.2.16 Rights granted to Manheim Township Municipal Authority as in Deed Book T, Volume 56, Page 436 and as in Deed Book T, Volume 56, Page 456

1.2.17 Subject to a Declaration of Taking by the Commonwealth of Pennsylvania Department of Highways recorded in Deed Book A, Volume 57, Page 929.

1.2.18 Sewer Line Right of Way and Easement dated September 28, 1970, between Herbert M. Royer and Rhelda E. Royer and the Lancaster School of the Bible recorded in Deed Book I, Volume 60, Page 624.

1.2.19 Matters shown on a plan recorded in Plan Book J-192, Page 58, including matters shown on said plan.

1.2.20 Rights and conditions set forth in a Deed dated March 27, 1996, from Rhelda E. Royer to the Lancaster Bible College as in Record Book 4915, Page 525.

1.2.21 Applications for ACT 319 (Clean and Green) as set forth in Record Book 5427, Page 397 and as in Record Book 5166, Page 680 and Termination of Act 319 (Clean and Green) to be recorded subsequent to the recording of this Declaration.

1.2.22 Rights granted to PPL Electric Utilities Corporation as in Record Book 6993, Page 442.

1.2.23 Declaration to Establish Agricultural Security Area by Manheim Township as in Document Id No. 5357166.

1.2.24 Grant of Easement dated December 9, 1977, between Martha R. Stoner, H. Raymond Stoner and Township of Manheim recorded in Deed Book W, Volume 74, Page 385.

1.2.25 Matters shown on a plan recorded in Plan Book J-227, Page 73, including notes on said plan.

1.2.26 Matters shown on a plan recorded in Plan Book 2017—0177-J, including notes on said plan.

1.2.27 Rights granted to Defense Plant Corporation as in Deed Book A, Volume 36, Page 254, assigned to Texas Eastern Transmission Corporation as in Deed Book C, Volume 39, Page 342 and Additional Right-of-way as in Record Book 2594, Page 571.

1.2.28 Conditions and rights set forth in Deed Book Z, Volume 44, Page 35.

1.2.29 Conditions and rights set forth in Deed Book G, Volume 45, Page 142 (to be terminated of record).

1.2.30 Subject to a Declaration of Taking by the Commonwealth of Pennsylvania Department of Highways recorded in Deed Book E, Volume 57, Page 1.

1.2.31 Provisions of acts of assembly authorizing the Commonwealth of Pennsylvania, Department of Transportation, to extend boundary lines of state roads.

1.2.32 Matters shown on the Final Phase I - Subdivision and Land Development Plan for Stoner Farm, prepared by RGS Associates, including notes on said plan to be recorded concurrently herewith, and any future subdivision and land development plans and the notes thereon for future phases of the Planned Community.

1.2.33 Matters shown on the Plats and Plans for Somerford at Stoner Farm attached hereto as Exhibit "C", and to be recorded concurrently herewith, including notes on said plan.

1.2.34 Stormwater Drainage Easement and Maintenance Agreement (affecting Farmette Lot – Lot 126) to be recorded concurrently herewith.

1.2.35 Deed of Easement (affecting Farmette Lot – Lot 126) to be recorded concurrently herewith.

1.2.36 Stormwater Management Agreement and Declaration Easement between Declarant and Township to be recorded concurrently herewith and any subsequent agreements regarding future phases of the Planned Community.

Section 1.3 Maximum Number of Units. The maximum number of Units to be created by the Declarant is one hundred twenty four (124).

Section 1.4 Defined Terms.

1.4.1 Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.

1.4.2 The following terms are used or defined in general terms in the Act and shall have specific meanings herein as follows:

A. "Allocated Interests" means the Common Expense Liability and votes in the Association allocated to each Unit.

B. "Annual Assessment" means a Unit's individual share of the anticipated Common Expenses for each fiscal year as reflected in the budget adopted by the Executive Board for such year.

C. "Association" means the Unit Owners' Association of the Planned Community and shall be known as the "Sommerford at Stoner Farm Community Association" a Pennsylvania non-profit corporation.

D. "Bylaws" means the rules and regulations, as from time to time in effect, for the governance of the Association and for the regulation of the organization of the Association. The Bylaws shall be binding upon the Association and all Lot Owners, notwithstanding that such Bylaws or any amendments thereto are not recorded.

E. "Committee" means the Architectural Standards Committee described in Section 8.1.1.

F. "Common Elements" means the Common Facilities or Controlled Facilities.

G. "Common Expense Liability" means the liability for Common Expenses allocated to each Unit under §5208 (relating to allocation of votes and common expense liabilities.).

H. "Common Expenses" means the expenditures made by or financial liabilities of the Association, together with any allocations to reserves. The term includes General Common Expenses and Limited Common Expenses.

I. "Common Facilities" means any Real Estate within the Planned Community which is owned by the Association or leased to the Association. The term does not include a Unit.

J. "Controlled Facilities" means any Real Estate within the Planned Community whether or not a part of a Unit, that is not a Common Facility but is maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association.

K. "Convertible Real Estate" means any part of the Property identified as "Convertible Real Estate" on the Plats and Plans and/or as



described in Exhibit "D", within which Declarant reserves the right to create additional Units and/or Limited Common Elements, pursuant to Section 5211 of the Act.

L. "Declarant" means the Declarant described in Section 1.1 above and all successors to any Special Declarant Rights. The term excludes a person holding interest in the Real Estate solely as security for an obligation and a person whose interest in the Real Estate will not be conveyed to Unit Owner.

M. "Declaration" means this document, as the same may be amended from time to time.

N. "Dedicated Improvements" shall mean and refer to those improvements that may be made by the Declarant, and upon completion may be offered for dedication to the Association, the Township, the municipal authority, a utility service company or some other third party as further described in Section 3.9 ("Dedicated Improvements").

O. "Dwelling" means a single-family-detached residential house to be constructed and form a part of each Unit. The term "Dwelling" may also be inclusive of all portions of the Lot on which such Dwelling is located and all other structures located on such Lot, unless the context otherwise clearly requires.

P. "Executive Board" means the body, regardless of name, designated in the Declaration to act on behalf of the Association.

Q. "Farmette Lot" means Lot 126 as shown on the Plats and Plans, which lot is not part of the Planned Community but is subject to certain Stormwater Drainage Easement and Maintenance Agreement as further described in Section 5.4 below and to a Deed of Easement as further described in Section 5.5 below, which easements benefit the Planned Community and obligate the Association to maintain the stormwater management facilities and to enforce the Deed of Easement as further described in the aforementioned sections below.

R. "Flexible Planned Community" means a Planned Community containing Withdrawable or Convertible Real Estate or a Planned Community to which Additional Real Estate may be added or a combination thereof

S. "General Common Expenses" means all Common Expenses other than Limited Common Expenses.

T. "Identifying Number" means a symbol or address that identifies only one Unit in a Planned Community.

U. "Limited Common Elements" means a Limited Common Facility or a Limited Controlled Facility.

V. "Limited Common Expenses" means the Common Expenses incurred for maintenance, repair and/or replacement of certain Limited Common Elements which are to be assessed against the Units to which such Limited Common Elements are assigned.

W. "Limited Common Facility" means a portion of the Common Facilities allocated by or pursuant to the Declaration or by the operation of §5202 (2) or (3) for the exclusive use of one or more but fewer than all of the Units.

X. "Limited Controlled Facility" means a portion of the Controlled Facilities, other than Controlled Facilities which are themselves part of a Unit, allocated by or pursuant to the Declaration or by operation of §5202 (2) or (3) for the exclusive use of one or more but fewer than all of the Units.

Y. Lot" means a separate and subdivided parcel of land as shown on the Plan, which has been approved for the construction of a Dwelling thereon, and such term shall be deemed to include any Dwelling now or hereafter located on such Lot. The Lot and Dwelling together are synonymous with the term "Unit" as used and defined in the Act.

Z. "Person" means a natural person, corporation, partnership, limited liability company, association, trust or other entity or combination thereof.

AA. "Planned Community" means Real Estate with respect to which a person, by virtue of ownership of an interest in any portion of the Real Estate, is or may become obligated by covenant, easement or agreement imposed on the owner's interest to pay any amount for real property taxes, insurance, maintenance, repair, improvement, utility services, management, administration or regulation of any part of the Real Estate other than the portion or interest owned solely by the person.

BB. "Plats and Plans" means the plats and plans attached hereto as Exhibit "C" as the same may be amended from time to time.

CC. "Property" means the Property described in Section 1.1.

DD. "Purchaser" means a person other than a Declarant who, by means of a disposition, acquires a legal or equitable interest in a Unit, other than either a leasehold interest of less than twenty (20) years, including renewal options, or as security for an obligation.

EE. "Real Estate" means any fee, leasehold or other estate or interest in, over or under land, including structures, fixtures and other

improvements and interests which by custom, usage or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance.

FF. “Rules and Regulations” means such rules and regulations as are promulgated by the Executive Board from time to time, with respect to various details of the use of all or any portion of the Property, either supplementing or elaborating upon the provisions in the Declaration or the Bylaws.

GG. “Township” means Manheim Township.

HH. “Unit” means a physical portion of the Planned Community designated for separate ownership or occupancy, the boundaries of which are described pursuant to §5205 (relating to contents of declaration; all planned communities) and a portion of which may be designated by the Declaration as part of the Controlled Facilities or Limited Controlled Facilities.

II. “Unit Owner” means a Declarant or other person who owns a Unit. The term does not include a person having an interest in a Unit solely as security.

JJ. “Withdrawable Real Estate” means any part of the Property identified as “Withdrawable Real Estate” on the plats and plans and/or as described in Exhibit “E”, so long as Declarant’s rights to withdraw such Real Estate from the Flexible Planned Community continue to exist.

**ARTICLE II.**  
**ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND**  
**COMMON EXPENSE LIABILITIES; UNIT IDENTIFICATION**  
**AND BOUNDARIES**

Section 2.1 Percentage Interests, Votes and Common Expense Liabilities.

2.1.1 Attached as Exhibit “B” hereto is a list of all Units initially declared by their Identifying Numbers and the Percentage Interest appurtenant to each Unit. The Percentage Interest appurtenant to each Unit is a fraction, the numerator of which is the particular Unit and the denominator of which is the total number of Units within the Planned Community. As additional Units are created from Convertible Real Estate, the Percentage Interest shall be determined in accordance with 2.1.1, with all Units having an equal Percentage Interest.

2.1.2 Each Unit shall have the number of votes in the Association equal to its Percentage Interest.

2.1.3 The share of Common Expense Liability appurtenant to each Unit shall be in proportion to its Percentage Interest.

Section 2.2 Unit Boundaries.

2.2.1 The title lines or boundaries of each Unit are situated as shown on the Plats and Plans and are identical to the boundaries of each Lot as shown on the recorded subdivision plans.

2.2.2 Each Unit consists of the space and any improvements now or hereafter placed within the following boundaries of the Unit. The vertical title lines or boundaries of the Unit shall be the vertical planes, extended to intersections with each other and without any upper or lower boundaries, which vertical planes shall be located on the lines showing the dimensions and location of the Units, as more particularly shown on the Plats and Plans.

2.2.3 Each Unit Owner may construct or have constructed buildings and other improvements upon, above and beneath the surface of their Unit strictly in accordance with this Declaration and with the provisions of all applicable laws and ordinances. Any improvements constructed upon each of the Units shall become part of that Unit as and when it is constructed, and no part of any improvements located upon a Unit shall be considered a Common Element. Notwithstanding the foregoing, any improvement constructed within a Unit which is intended to serve more than one Unit (such as a common utility line or sidewalk) shall be deemed to be subject to an easement in favor of all other Unit Owners which reasonably require the use of such improvement. Common Expense Liability appurtenant to each Unit shall be in proportion to its Percentage Interest.

Section 2.3 Relocation of Unit Boundaries; Subdivision and Conversion of Units. Relocation of boundaries between Units and subdivision or conversion of Units will be permitted subject to compliance with the provisions therefor in §5214 and §5215 of the Act. In the case of a Unit owned by a Declarant, if a Declarant converts all of a Unit to Common Elements, the amendment to the Declaration must reallocate among the Unit Owners votes in the Association and Common Expense Liability formerly allocated to the converted Unit on a pro rata basis. Notwithstanding the foregoing, any subdivision of Units which are the equivalent to lots shown on the recorded subdivision plan for the Planned Community shall be subject to any restrictions on further subdivision as set forth in the notes of the recorded subdivision plan.

Section 2.4 Convertible Real Estate.

2.4.1 Reservation of Option. Declarant explicitly reserves the option, in accordance with the provisions of the Act, until the expiration of ten (10) years from the date of recordation of this Declaration, to create Units and/or Limited Common Elements within and from the Convertible Real Estate as described in Exhibit "D" attached hereto and made a part hereof. The Declarant shall have the right to transfer the options and rights reserved in this Section 2.4.1 by a Transfer of Special Declarant Rights made pursuant to Section 5304 of the Act.

2.4.2 Approval. This option may be exercised by the Declarant without the consent or approval of any Unit Owner or holder of a mortgage for any Unit, excepting any approval required by the Township or any governmental agency.

2.4.3 Termination of Option. This option shall not terminate prior to its expiration ten (10) years from the date of the recording of this Declaration, except by amendment to this Declaration.

2.4.4 Limitation of Option. Declarant expressly reserves the right to create Units and/or Limited Common Elements in and from the Convertible Real Estate, at any time, at different times, in any order, and without limitation, provided however, that the Convertible Real Estate shall not exceed the property as described in Exhibit "D". Declarant shall not be required to create Units or Limited Common Elements within the Convertible Real Estate.

2.4.5 No Assurances as to Convertible Real Estate. The Declarant makes no assurances with respect to the exact location or dimensions of any building that the Declarant may build or Units or Limited Common Facilities that the Declarant may create within the Convertible Real Estate, except that barring such amendments to the subdivision and land use approvals of the Property as may be sought and obtained by the Declarant, buildings and Units, to the extent they are built or created, shall be located in the areas shown on the Plats and Plans. The Declarant makes no assurances with regard to the time in which any Unit or Limited Common Facilities will be created in the Convertible Real Estate, if at all. The Declarant makes no assurances as to the location, size, architectural style, quality of construction or principal materials employed in the construction of any buildings to be erected within the Convertible Real Estate, provided, however, that any such buildings or improvements shall be constructed in accordance with the applicable governmental approvals. The Declarant makes no assurances as to the nature, type, size or maximum number of Limited Common Facilities, if any, it may create within the Convertible Real Estate. The Declarant makes no assurances with regard to the boundaries of the portions of the Convertible Real Estate which may be converted and/or withdrawn, or the order in which they may be converted, except that the Convertible Real Estate shall not exceed the property described in Exhibit "D".

2.4.6 Restrictions. All restrictions in this Declaration affecting use, occupancy and alienation of Units, as well as other provisions of the Declaration, shall apply to such Units and Lots as may be created within the Convertible Real Estate, except that differentiations may be made by Declarant as to such Units and Lots to reflect and account for considerations that are particular to the Convertible/Withdrawable Real Estate.

2.4.7 Voting Strength and Common Expense Liability. The Percentage Interest of Common Expense Liability of each Unit in the Community at the time this Declaration is recorded may be increased or decreased by any actions made pursuant to the conversion option reserved in this Article, and any change in the share of Common Expense Liability shall be made using the formula for obtaining Unit Percentage Interest as set forth in this Declaration. The date for assigning assessments and granting voting rights to Units created pursuant to the conversion option reserved in this Article shall be the date of recording of the Amendment to the Declaration effecting such creation.

2.4.8 Use. Any and all Units created pursuant to the conversion option reserved in this Article shall be restricted exclusively to residential use, pursuant to Section 8.2.1 of this Declaration.

2.4.9 Procedure for converting Convertible Real Estate. Upon Declarant's election to exercise the options reserved in this Article, as to all or any portion of the Convertible Real Estate, Declarant shall, at its own cost and expense, prepare, execute and record an amendment to this Declaration in accordance with the provisions of the Act, so as to convert such Convertible Real Estate and create Units, Limited Common Facilities, or both. The Declarant shall have this right to amend without the approval of any Unit Owner or any mortgagee holding, insuring or guaranteeing a lien against any Unit. Any such amendment(s) shall be effective upon recordation with the Lancaster County Recorder of Deeds Office.

2.4.10 Maximum Number of Units. The maximum number of Units that may be created within the real property described in Exhibit "A" is one hundred twenty four (124) Units.

Section 2.5 Additional Real Estate. The Community has no Additional Real Estate.

Section 2.6 Withdrawable Real Estate. Declarant hereby explicitly reserves an option, until the tenth (10th) anniversary of the recording of this Declaration, to withdraw Withdrawable Real Estate from the Planned Community from time to time in compliance with §5212 of the Act, without the consent of any Unit Owner or holder of a mortgage on any Unit. This option to withdraw may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by Declarant. Declarant expressly reserves the right to withdraw any or all portions of the Withdrawable Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other Real Estate be withdrawn, added or converted, except as set forth in §5212 of the Act; provided, however, that the Withdrawable Real Estate shall not exceed the area described as such on Exhibit "E" hereto. There are no other limitations on this option to withdraw the Withdrawable Real Estate from the Planned Community.

Section 2.7 Easements Regarding Withdrawable Real Estate.

If and when Withdrawable Real Estate is withdrawn from the Property in accordance with the provisions of this Declaration, the following reciprocal easements shall be created and granted in favor of and against the Unit Owners and the Association, on the one hand, and the owners and occupants of the portion of the Withdrawable Real Estate withdrawn from the Property, on the other hand:

2.7.1 A non-exclusive easement and right-of-way over, on, and upon any roads and streets created within the Property for ingress and egress to and from any public streets serving the Property.

2.7.2 The right of access for the placement and maintenance of underground utility facilities to serve any owner of any portion of the Property, including, inter alia, electrical, gas (including without limitation propane gas), telephone, sewer and water lines provided that the exercise of said rights does not materially interfere with the existing utility facilities.

2.7.3 The right to use and gain access to existing utility facilities located on the Property, including, inter alia, the waterlines, sanitary sewer and storm sewer facilities, and to tie into said facilities, together with the right to install and maintain new utility facilities, provided that the exercise of such rights does not materially interfere with the existing utility facilities.

2.7.4 The right to enter upon the Property at reasonable times for the purpose of laying, constructing, inspecting, maintaining, repairing or removing said utility facilities.

2.7.5 Prior to withdrawing Withdrawable Real Estate, the Declarant shall execute and record a Declaration of Reciprocal Easements creating the rights above, subject, inter alia, to the following conditions:

A. The party exercising such easement rights for the installation of utility facilities shall be solely responsible for all expenses of whatever nature with regard to the initial construction and installation of said utility facilities.

B. Any party exercising the easement right to install utility facilities over, under or through the Property shall observe all applicable laws pertaining thereto. All work shall be done during reasonable times, following reasonable notice to any party who will be affected by the work, and shall be done in a manner which shall not unreasonably interfere with the use of the Property by the owners and occupants thereof.

C. The party exercising such easement right, at its sole cost, shall promptly restore the Property to its original condition.

D. The expense of operating, maintaining and repairing any area or facility, subject to a reciprocal easement, shall be equitably apportioned among the owners using said areas or easements, considering all pertinent use factors.

E. The party exercising any easement right shall indemnify and hold harmless all other owners within the Property from all loss, damage, claims or expenses, including reasonable attorneys' fees, resulting from its negligent or improper exercise of the easements and other rights granted herein.

**ARTICLE III.  
ALLOCATION AND RESTRICTION OF COMMON FACILITIES,  
CONTROLLED FACILITIES, LIMITED COMMON FACILITIES AND LIMITED  
CONTROLLED FACILITIES**

Section 3.1 Common Facilities. Declarant has indicated on the Plats and Plans the areas of Real Estate that are to be used as Common Facilities. Upon completion of the Common Facilities by Declarant the same will be conveyed in their entirety to the Association by Declarant or a successor to the interest of Declarant by the later of the date

of conveyance or lease of the last Unit. Without limiting the generality of Section 1.4.2I hereof, the following portions of the Property are hereby designated as Common Facilities:

3.1.1 Open Space Area Lot 127, unless and until the Open Space Area Lot 127 is dedicated to and accepted by the Township as park land/open space to be dedicated for recreational use, which deed of dedication is to be recorded after the recording of this Declaration.

3.1.2 The streets located or to be located within the Planned Community known as Bluegrass Road, Telford Avenue, Barclay Drive, Homestead Lane, Stoner Lane, Groff Lane and Hershey Lane together with all easements located therein, unless and until the streets are dedicated to and accepted by the Township as public streets. Barclay Drive, Groff Lane and Hershey Lane are to be located within a future phase of the Planned Community.

3.1.3 The landscape island dividing Telford Avenue as shown on the Plats and Plans.

3.1.4 Any other area shown and identified as such on the Plats and Plans.

Section 3.2 Binding Obligation. The obligation of Declarant to convey or lease to the Association the Common Facilities shall be binding on Declarant and any successor in interest of Declarant whether or not the successor succeeds to any Special Declarant Rights. The conveyance of the Common Facilities will be for no consideration other than the Association's acceptance of the conveyance.

Section 3.3 Ownership of Common Facilities prior to Association. Declarant will own the Common Facilities prior to the conveyance to the Association.

Section 3.4 Limited Common Facilities. Those portions of the Common Facilities serving only one or more, but fewer than all, Units within the Planned Community are Limited Common Facilities allocated only to the Unit or Units which they serve. Without limiting the generality of Section 1.4.2X hereof, the following portions of the Property are hereby designated as Limited Common Facilities:

3.4.1 Any areas shown and identified as such on the Plats and Plans.

Section 3.5 Controlled Facilities. Those portions of the Real Estate, whether or not a part of a Unit, that are not a Common Facility and which are maintained, improved, regulated, managed, insured and controlled by the Association. Without limiting the generality of Section 1.4.2J, hereof, the following portions of the Property are designated as Controlled Facilities:

3.5.1 Storm water lines and inlets and other stormwater management facilities located within stormwater drainage easements not located in the streets as shown on the Plats and Plans;

3.5.2 Sanitary sewer lines located within sanitary sewer easements not located in the streets and not dedicated pursuant to Section 3.9 as shown on the Plats and Plans;



3.5.3 Utility, maintenance and emergency access easements as shown on the Plats and Plans;

3.5.4 Stormwater drainage easements as shown on the Plats and Plans, except that the Unit Owner will be responsible for mowing the grass within the easement areas;

3.5.5 Sanitary sewer easements as shown on the Plats and Plans;

3.5.6 Such portions of the sidewalks adjacent to the detention basin located on Unit No. 73 (to be created from the Convertible/Withdrawable Real Estate in a future phase of the Planned Community);

3.5.7 Retaining walls as shown on the Plats and Plans. The Association shall have a perpetual easement to enter upon such Units having said retaining walls as shown on the Plats and Plans for the purposes of maintaining said walls;

3.5.8 The mailbox cluster(s) as shown on the Plats and Plans, provided that each Unit Owner shall be responsible for any lost or damaged key(s) and for rekeying his mailbox for any reason;

3.5.9 The proposed trail connection;

3.5.10 The monument signs as shown on the Plats and Plans and all lines providing power to the same. The Association shall have a perpetual easement to enter upon such Units having said monuments as shown on the Plats and Plans for the purposes of maintaining said monuments; and

3.5.11 Any other area shown and identified as such on the Plats and Plans.

Section 3.6 Limited Controlled Facilities. Those portions of Controlled Facilities, other than the Controlled Facilities which are themselves part of a Unit allocated by or pursuant to the Declaration for the exclusive use of one or more but fewer than all of the Units. The following portions of the Property are designated as Limited Controlled Facilities:

3.6.1 Concrete curbs and sidewalks appurtenant to a Unit; provided, however, that each Unit Owner shall have the responsibility for repairing or replacing the sidewalks in front of their Unit and for snow and ice removal from the sidewalks in front of their Unit;

3.6.2 The mailbox cluster(s) as shown on the Plats and Plans, provided, however, that each Unit Owner shall be responsible for the cost of the key and any necessary rekeying of the mailbox assigned to his Unit; and

3.6.3 Any areas shown and identified as such on the Plats and Plans.

Section 3.7 Use of Sidewalk. All Unit Owners, their families, guests and invitees, shall have a non-exclusive easement for pedestrian uses over and upon all sidewalks even if those sidewalks are designated as Limited Controlled Facilities appurtenant to one or more Units.

Section 3.8 Changes by Executive Board. Subject to any limitation herein, the Executive Board may make any additions, alterations or improvements to the Common Elements which in its judgment it deems necessary.

Section 3.9 Dedicated Improvements The following improvements may be offered by Declarant for dedication to the Township, the Municipal Authority, a Utility Service Provider or some other third party:

3.9.1 Water lines, sanitary sewer lines, storm sewer lines and utility facilities, except for that portion of any water line or sewer line located within the boundaries of a Unit and connecting the Dwelling to a water main or sewer main, which shall be maintained, repaired and replaced by the Unit Owner.

3.9.2 The pipes, inlets, and related storm sewer facilities located within the public right-of-way.

3.9.3 The streets within the Community known as Bluegrass Road, Telford Avenue, Barclay Drive, Homestead Lane, Stoner Lane, Groff Lane and Hershey Lane, together with all easements located therein, if offered for dedication to the Township by Declarant, and if the Township accepts the offer of dedication. In the event that the Township does not accept the offer of dedication for the streets, then the Declarant shall convey the streets to the Association and the Association shall accept such conveyance so that the streets will be owned and maintained by the Association as a Common Facility.

3.9.4 Lot 127 as identified on the Plats and Plans.

3.9.5 Any other area shown and identified as such on the Plats and Plans.

#### **ARTICLE IV. MAINTENANCE, REPAIR AND REPLACEMENT RESPONSIBILITIES**

Section 4.1 Maintenance Responsibilities. The Units, including all improvements constructed thereon, shall be maintained and repaired by each Unit Owner, and the Common Elements as defined in this Declaration shall be maintained and repaired by the Association in accordance with the provisions of §5307 of the Act, except as expressly set forth to the contrary in this Declaration or the By-Laws.

Section 4.2 Association Maintains Common Elements. The Association shall maintain, repair and replace all of the Common Elements, Controlled Facilities and Limited Controlled Facilities, as defined in this Declaration (except the portions of the Limited Common Elements which are required by this Declaration or By-Laws to be maintained, repaired or replaced by the Unit Owner) so that the same are in good order and repair and in an attractive condition consistent with a residential community, and in connection therewith, the Association shall continually keep and maintain, or cause to be continually kept and maintained, all improvements to the Common Elements, Controlled Facilities and Limited Controlled Facilities in a safe, sightly and serviceable condition which repair and maintenance shall include replacement, cleaning, lighting, painting, landscaping, mowing, walks, interim pump station and drainage facilities, directional signs and lighting facilities as necessary from time to time and reconstruction of stormwater facilities to Township

standards. Maintenance of the Common Elements by the Association includes the payment of all utility charges applicable to the Common Elements. Provided, however, that each Unit Owner shall be responsible for snow removal in front of their respective Units.

Upon approval of the permittee's notice of termination by the Pennsylvania Department of Environmental Protection ("DEP") or by an authorized county conservation district, it shall be deemed that the Association, and if required each Unit Owner, agree to and shall become responsible for compliance with the storm water management facilities' permit terms and conditions, including the long-term operation and maintenance of post construction storm water best management practices in accordance with applicable requirements and as described in the Final Subdivision Plan and the Post Construction Stormwater Management Plan ("PCSM") and any subsequent subdivision plan and PCSM plans for future phases of the Planned Community. Except as otherwise stated herein, the Declarant shall remain responsible for compliance with other obligations with respect to storm water management facilities as may be required by the Final Subdivision Plan, the PCSM Plan, the Declaration or the Stormwater Management Agreement and Declaration of Easement with the Township (which is being recorded concurrently herewith) until such time as the obligations of the Declarant may cease.

Section 4.3 Units and Limited Common Elements. Each Unit Owner shall maintain, repair and replace, at his own expense, all portions of his Unit and the Limited Common Elements appurtenant thereto in a safe, clean condition, except the portions which are required by this Declaration or By-Laws to be maintained, repaired or replaced by the Association.

Section 4.4 Association Maintains Stormwater Management Facilities on Farmette Lot.

The Association shall maintain the stormwater management facilities located within the stormwater drainage easements on the Farmette Lot (Lot 126) as further described in Section 5.4 below.

## **ARTICLE V. EASEMENTS**

Section 5.1 Easements. In addition to and in supplementation of the easements provided for by §5216 (easement for encroachment), §5217 (Declarant offices, models and signs and §5218 (easement to facilitate completion, conversion and expansion) of the Act, the following easements are hereby created:

5.1.1 Common Elements. Declarant reserves the right to place one or more models, management offices and sales offices, and construction trailers on any portion of the Common Elements in such manner, of such size and in such locations as Declarant deems appropriate. Declarant may from time to time relocate models, management offices and sales offices, and construction trailers to different locations within the Common Elements. Declarant shall have the right to remove any such models, management offices and sales offices, and construction trailers from the Common Elements at any time up to thirty (30) days after Declarant ceases to be a Unit Owner. Upon the relocation of a model or office constituting a Common Element, Declarant may remove all personal property and fixtures therefrom. Any fixtures not so removed shall be deemed Common Elements, and

any personal property not so removed shall be deemed the property of the Association. In addition, Declarant reserves the right with respect to its marketing of Units to use the Common Facilities for the ingress and egress of Declarant and its officers, employees, agents, contractors and subcontractors. The Declarant shall also have the right until the conveyance of the last Unit it owns to erect signs on the Property in connection with its marketing of Units. Any damage to the Common Facilities resulting from this easement shall be repaired by the Declarant within a reasonable time after the completion of its sales of the Units or termination of such use of the Common Facilities, whichever shall first occur. The Declarant agrees to indemnify and to hold the Association harmless from all liabilities resulting from the use of the Common Facilities in conjunction with the marketing of Units. The rights reserved for the Declarant by this Section 5.1 shall remain in effect for as long as the Declarant shall remain a Unit Owner in the Planned Community. This Section shall not be amended without the prior written consent of the Declarant.

5.1.2 Signs. Subject to any limitation in the Declaration, Declarant may maintain signs in Declarant's Units and on the Common Elements advertising Units in the Planned Community owned by Declarant for sale or lease.

5.1.3 Units. Declarant shall have the right to locate, relocate and maintain offices and models used only in connection with management of or sale or rental of Units owned by Declarant in the Planned Community in Declarant's Unit or Units in the Planned Community notwithstanding the fact that the Declaration would otherwise preclude use of Units for such purposes, but subject to all other provisions in Declaration, including without limitation, modification or elimination of Declarant's rights under this subsection by specific reference thereto.

5.1.4 Utility Easements. The Units and Common Elements, which includes Common Facilities and/or Controlled Facilities, shall be, and are hereby, made subject to easements in favor of Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 5.1.4 shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements.

5.1.5 Reciprocal Non-exclusive Easement for Use of Utility Systems. Subject to compliance with applicable laws and regulations, and subject to obtaining the prior written consent of the Executive Board, which consent will not be unreasonably withheld, delayed or conditioned, the Common Elements (including but not limited to the Limited Common Elements) shall be and are hereby made subject to a permanent, mutual, reciprocal, non-exclusive easement and right to tie into (and maintain and repair such tie in) and use the sanitary and storm sewers, water lines and other utilities as may be constructed on the Common Elements for the mutual and reciprocal benefit of the Units, provided that such use shall not overburden such utilities or unreasonably interfere with the use thereof by the

owners and occupants of the other Units. The Association shall have the right to dedicate any utilities to a public utility or other proper entity.

5.1.6 Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Common Elements, Controlled Facilities and Limited Controlled Facilities for the purpose of maintaining, reconstructing and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 5.1.6 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which Declarant shall restore the affected property as closely to its original condition as practicable.

5.1.7 Declarant's Easement for Development of Convertible Real Estate. The Declarant reserves an easement on, over and under Common Elements for all purposes relating to the construction, development, leasing and sale of improvements on the Convertible Real Estate. This easement shall include without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of models and offices, construction trailers, and the erection and maintenance of directional and promotional signs. The Declarant's easement hereunder shall remain in full force and effect on, over and under any portions of the Withdrawable Real Estate, even after said portion(s) have been withdrawn from the Community.

5.1.8 Declarant's Landscaping Easement. Declarant reserves an easement on, over and under those portions of the Common Elements, Controlled Facilities and Limited Controlled Facilities for the purpose of planting and maintaining trees, shrubs and all other landscaping required by the Plats and Plans.

Section 5.2 Temporary Easement for Construction. During such time as the Declarant is conducting construction activities within the Property, the Declarant reserves unto itself, its agents, employees and contractors, the right to enter onto the unimproved portions of any Unit within the Planned Community as may reasonably be necessary to facilitate the Declarant's construction, repair or replacement activities, provided however that the Declarant shall take reasonable steps to minimize any interference with a unit Owner's use of his or her Unit and shall promptly repair any damage to a Unit resulting from the Declarant's exercise of the rights it has pursuant to this Article.

### Section 5.3 Township Rights.

5.3.1 Township's Easement for Inspection of Stormwater Facilities. Declarant grants to the Township an easement for ingress, egress and regress for the purpose of inspecting, cleaning, repairing or reconstructing Common Elements, including drainage facilities, subject to the provisions of this Section 5.3. It is understood that the Township shall have the right but not obligation to inspect, clean, repair or reconstruct Common Elements.

5.3.2 Cost of Township's Maintenance Activities. If the Township performs maintenance or repair activities for all or any portion of the Common Elements in accordance with Section 5.3.1 above, the Township shall have the right to impose a Municipal Lien (*See* 53 P.S. §7106, as amended) against the Association and/or directly against the Unit Owners for the costs incurred by the Township, together with any other amounts collectible by the Township under the Pennsylvania Municipal Lien Law, as amended from time to time.

5.3.3 Pennsylvania Municipalities Planning Code. The rights of the Township set forth in Section 5.3.1 above and the provisions of Section 5.3.2 above are imposed consistent with the requirements of the Pennsylvania Municipalities Planning Code and shall be construed consistent with the rights of the Association with respect to the imposition of assessments, the creation of liens for same, and the collection of same as provided herein or in the Act.

#### Section 5.4 Stormwater Drainage Easements on Farmette Lot.

Declarant, as the current owner of the Farmette Lot (Lot 126), and the Association have entered into a Stormwater Drainage Easement and Maintenance Agreement ("Stormwater Agreement"), which is to be recorded concurrently herewith. As further described in the Stormwater Easement Agreement, the Farmette Lot is subject to certain stormwater management easements so that stormwater can drain from the Planned Community into the stormwater management facilities to be constructed on the Farmette Lot within said easements. Declarant shall initially construct the stormwater management facilities on the Farmette Lot. Thereafter, the Association shall be responsible to reconstruct, maintain, repair and replace said stormwater management facilities on the Farmette Lot and to regrade as necessary to permit the continued flow of stormwater onto the Farmette Lot. The Association is granted an access easement onto the Farmette Lot in order to perform such maintenance. Any expenses incurred by the Association in connection with the maintenance, repair, and replacement of the stormwater management facilities on the Farmette Lot and with the Stormwater Agreement, including any enforcement actions, shall be Common Expenses and assessed against the Units in accordance with their respective Common Expense Liability and Percentage Interest.

#### Section 5.5 Deed of Easement on Farmette Lot.

Declarant, as the current owner of the Farmette Lot (Lot 126), and the Association have entered into a Deed of Easement, which is to be recorded concurrently herewith ("Deed of Easement"). The Deed of Easement (1) restricts the owner of the Farmette Lot from performing any construction, alteration, remodeling or any other activity that would substantially affect the historically significant exterior features of the buildings located thereon unless the prior permission of the Association is obtained; (2) requires the said owner to maintain and keep the Farmette Lot in a state of good order, repair and condition as further described therein; (3) prohibits any commercial or business use or other change or alteration in the use of the Farmette Lot; (4) prohibits any further subdivision of the Farmette Lot; and (5) prohibits additional construction, alteration, remodeling and/or other activities on the Farmette Lot as more fully set forth in the terms and conditions of the Deed of Easement unless otherwise approved in writing by the Association and permitted by the Township in writing. The Association is granted access to the Farmette Lot to verify and enforce the owner's compliance with its obligations in the Deed of

Easement. In addition, the Township has the right to enter the Farmette Lot and further has the right, but not the duty or obligation, to take such corrective measures as the Township seems necessary or appropriate to enforce the terms of the Deed of Easement. The Deed of Easement may not be amended or terminated without the consent and approval of the Township. Any expenses incurred by the Association in connection with the Deed of Easement shall be Common Expenses and assessed against the Units in accordance with their respective Common Expense Liability and Percentage Interest.

#### Section 5.6 Mailbox Easement on Lot 126.

Declarant as the owner of Lot 126 hereby grants an easement to the Association and Unit Owners over such southwestern portion of Lot 126 between Unit 19 and Unit 20 as shown on the Plats and Plans labeled as "Mailbox Easement" for access to the mailbox cluster that will be located within said easement. The Association shall be responsible to maintain, improve, regulate, manage, insure and control the mailbox cluster to be located within the Mailbox Easement; provided, however, that each Unit Owner shall be responsible for the cost of the key and any necessary rekeying of the mailbox assigned to his Unit.

### ARTICLE VI. COMPLETION OF COMMON FACILITIES

Section 6.1 Time for Completion. Improvements to Common Facilities will be completed no later than the date of the conveyance or lease by Declarant of the last Unit Declarant reserves the right to include in the Planned Community or the date of the rights under § 5211 of the Act.

Section 6.2 Responsibility for Common Facilities Until Completed. Until the Common Facilities are conveyed to the Association, Declarant shall be solely responsible for real estate taxes assessed against or allocable to the Common Facilities and for all other expenses in connection with the Common Facilities.

Section 6.3 Bonding of Common Facilities. Declarant is providing financial security to the Township to assure completion of the Common Facilities.

### ARTICLE VII. AMENDMENT OF DECLARATION

Section 7.1 Amendment Generally. This Declaration, including the Plats and Plans, may be amended only by vote of at least sixty-seven (67%) percent of the Association, except unanimous consent of all Unit Owners affected shall be required to create or increase Special Declarant rights, alter the terms or provisions governing the completion or conveyance or lease of Common Facilities or increase the number of Units or change in the boundaries of any Unit, the Common Expense Liability or voting strength in the Association allocated to a Unit, or the uses to which a Unit is restricted. No Declaration provisions pursuant to which any Special Declarant rights have been reserved to a Declarant shall be amended without the express written joinder of Declarant in such amendment. This section shall not apply to an amendment executed by a Declarant under §5210 (e) or (f) (relating to Plats and Plans), or amendments executed by the Association under §5107 (relating to eminent domain), §5209 (relating to Limited Common Elements),

§5215 (relating to subdivision or conversion of Units) or amendments executed by certain Unit Owners under §5209(b), §5214(a) (relating to relocation of boundaries between Units), §5215, and §5220(b) (relating to termination of Planned Community). No Declaration provisions providing for any rights or protections of the Township, including the provisions of Section 5.3, shall be amended without the consent of the Township.

Section 7.2 Technical Corrections. If any amendment to the Declaration is necessary in the judgment of the Executive Board to cure an ambiguity, correct or supplement any provision of the Declaration, including Plats and Plans, that is defective, missing or inconsistent with any other provision of the Declaration or the Act or conform to the requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or deeds of trust or units in planned community or so called "PUD" projects, such as Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, the Executive Board may adopt an appropriate corrective amendment without the approval of the Unit Owners or the holders of liens on the Planned Community, upon receipt of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of §5219 of the Act.

Section 7.3 Rights of Secured Lenders. Annexation of additional properties, mergers and consolidations, dedication of Common Areas, and amendment of the Declaration, require prior approval of HUD/VA as long as Declarant exercises his Special Declarant rights which extend for a period of seven (7) years from the date of the first conveyance of a Unit to a person other than Declarant; provided, however, that Declarant's special rights will terminate sixty (60) days after conveyance of seventy-five (75%) percent of the Units which may be created to Unit Owners other than Declarant. Declarant's special rights which entitle him to unilaterally convert convertible real estate, cause mergers and consolidations and appoint or remove the Executive Board, extend from the date of the first conveyance of a Unit to a person other than Declarant for not more than seven (7) years; provided, however, that Declarant's special rights will terminate sixty (60) days after conveyance of seventy-five (75%) percent of the Units which may be created to Unit Owners other than Declarant.

## **ARTICLE VIII. USE RESTRICTIONS**

Section 8.1 Architectural Standards. The occupancy and use of the Units and Common Elements shall be subject to the following:

### 8.1.1 Creation.

A. There shall be an architectural committee (referred to as the "Architectural Standards Committee" or "Committee") for the Planned Community. The Committee shall have a minimum of three (3) members, each of whom shall, notwithstanding the expiration of the period referred to in the provisions hereof, serve as such until the earlier to occur of (i) his or her resignation from the Committee, or (ii) his or her replacement pursuant to the following provisions of this Section by the Declarant or the Executive Board.



B. The Declarant shall have the exclusive right from time to time to designate and replace the members of the Committee until the earlier to occur of (i) the seventh (7th) anniversary of the date of the first conveyance of a Unit to a person other than the Declarant, or (ii) sixty (60) days after conveyance of seventy-five (75%) percent of the Units which may be created to Unit Owners other than Declarant. Thereafter, the Executive Board shall have the exclusive right to designate and replace the members of the Architectural Standards Committee who will serve at the pleasure of the Executive Board.

#### 8.1.2 Approval.

A. Subject to the operation and effect of the provisions of this Article VIII, and except for any improvements by Declarant, no improvement(s) or other structure of any kind whatsoever shall be constructed, reconstructed, placed, maintained or modified (other than: (i) exterior repainting in the same color as the existing color, upon prior written approval of the Committee, and (ii) interior painting or other modifications not visible from or affecting the exterior of the dwelling), and no landscaping on a lot shall be altered, unless such action and such improvement has been approved expressly and in writing by the Committee, which shall have the absolute right to refuse to grant such approval for an aesthetic or other reasonable cause, and to withhold such approval until plans and specifications, showing in reasonable detail the nature, kind, shape, height, materials, location and approximate cost of such improvement, have been submitted to and approved by the Committee expressly and in writing. In considering whether to grant such approval, the Committee may consider the suitability of such proposed improvement with relation to such Unit and the other Units, and may base such consideration upon such, if any, information concerning the nature, kind, shape, heights, materials, location and approximate cost of such improvement as is furnished to the Committee, as aforesaid, all to the end that such improvement shall be in harmony with and have no adverse effect upon its immediate surroundings and the other Units.

B. If any Unit Owner submits to the Committee a written application for approval of any improvement, as aforesaid, and if the Committee has not disapproved, in writing, said application within sixty (60) days of receipt thereof, such approval shall thereupon be deemed to have been given; provided, however, that any written requests for approval together with all plans and specifications or other specifications and information as may be required by the Committee shall be submitted to the Committee by registered or certified mail or in person.

C. The affirmative vote of a majority of the members of the Committee shall be required for it to take any action; provided that such majority may designate one member to act for it.

D. Construction of any alterations or structures in accordance with plans and specifications approved by the Committee pursuant to the provisions hereof shall be commenced within six (6) months following the date of approval and completed within twelve (12) months of commencement thereof, or within such other period as the Committee shall specify in its approval. If the event construction is not commenced and completed within the aforesaid periods, then approval of the plans and specifications by the Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. After construction, all structures and alterations shall be maintained continuously in strict conformity with the plans and specifications so approved and all applicable law.

E. The approval of the Committee of any structure or alteration shall in no way be deemed to relieve the Unit Owner from its obligation to obtain any and all governmental permits and approvals necessary for such Structure or alterations.

F. If any Structure is altered, erected, placed or maintained on any Lot other than in accordance with approved plans and specifications therefor, this Declaration and applicable law, such action shall be deemed to be a violation of the provisions of this Declaration and, promptly after the Association gives written notice thereof to its Owner, such structure shall be removed or restored to its condition prior to such action, and such use shall cease, so as to terminate such violation. If within thirty (30) days after having been given such notice, such Owner has not taken reasonable steps to terminate such violation, any agent of the Association may enter upon such Lot and take such steps as are reasonably necessary to terminate such violation. Such Owner shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for an assessment levied against such Lot, and, upon the failure of the Owner to pay such cost within ten (10) days after such Owner's receipt of written demand therefor from the Association, the Association may establish a lien therefor upon such Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

8.1.3 Any member of the Committee, upon the occurrence of a violation of the provisions of this Declaration, and after the Association or the Committee gives written notice thereof to the Owner of the applicable Lot, at any reasonable time, may enter upon and inspect any Lot and the exterior of any structure thereon to ascertain whether the maintenance, construction or alteration of such structure or alteration are in accordance with the provisions hereof.

8.1.4 Upon completion of construction of any structure or alteration in accordance with the provisions hereof, the Committee, upon request of the applicant shall issue a certificate of compliance ("Certificate") identifying such structure and the Lot on which such structure is placed, and stating that the structure has been completed pursuant to the terms hereof. The Certificate shall be retained in the records of the Association. Any

Certificate issued pursuant hereto shall be prima facie evidence of the facts therein stated, and as to any title insurer, such Certificate shall be conclusive evidence that all structures on the Lot noted in the Certificate complies with the provisions hereof.

Section 8.2 Prohibited Uses and Nuisances. Except for the activities of Declarant during original development:

8.2.1 Residential Purposes Only. Units shall be used as dwelling houses for residential purposes only. No Unit may be used as a boarding house (with multiple families in one dwelling), hostel, bed-and-breakfast or similar use or as a vacation rental, such as Airbnb, Vrbo, Homeaway. No store, tavern, beauty salon, barbershop or other public commercial or industrial establishment, with the exception of home occupations as specifically permitted under the Township Zoning Ordinance, shall be maintained therein. Declarant reserves the right to maintain Units as a model single family residence for display to prospective purchasers. These model Units shall comply with all other restrictions and covenants set forth in this Declaration. No temporary structure of any kind, such as, but not limited to, sheds, trailers, tents, shacks, barns or outbuildings shall be erected, placed or maintained on any Unit.

8.2.2 Storage of Vehicles and Equipment. No outside storage of unregistered vehicles, motorized off-road vehicles, lawn mowing equipment or snowmobiles shall be permitted. Boats, campers, recreational vehicles, trailers of any type, or commercial vans or vehicles may be stored outside if they are parked on a paved parking pad parallel with the garage and a plant buffer is provided between the parking pad and the side boundary of the Unit.

8.2.3 Operation of Off-Road Vehicles. No motorized off-road recreational vehicles may be operated on any Lot or any public or private road, sidewalk or walking path in the Planned Community.

8.2.4 Reception Equipment. No radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept on a Unit outside of a dwelling, except on the following terms:

A. An Owner may install, maintain and use on its Unit one (or, if approved, more than one) Small Antenna (as hereinafter defined) in the rear yard of a dwelling on the Unit, at such location, and screened from view from adjacent dwellings in such a manner and using such trees, landscaping or other screening material, as are approved by the Committee, in accordance with the terms of this Declaration. Notwithstanding the foregoing terms of this subsection, (i) if the requirement that a Small Antenna installed on a Unit be placed in the rear yard of a dwelling would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another approved location on such Unit where such installation, maintenance or use would not be impaired; (ii) if and to the extent that the requirement that such Small Antenna be screened would result in any such impairment, such approval shall be on terms not requiring such screening; and (iii) if the prohibition against installing, maintaining and using more than one (1) Small Antenna on a Unit would

result in any such impairment, then such Owner may install on such Unit additional Small Antenna as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection).

B. In determining whether to grant any approval pursuant to this Section, neither Declarant, the Committee nor the Executive Board shall withhold such approval, or grant it subject to any condition, if and to the extent that doing so would result in an impairment.

C. As used herein, (i) "impair" has the meaning given it in 47 Code of Federal Regulations Part 1, Section 1.4000, as hereafter amended; and (ii) "Small Antenna" means any antenna (and accompanying mast, if any) of a type, the impairment of the installation, maintenance or use of which is the subject of such Federal regulation. Such antennae are currently defined thereunder as, generally, being one (1) meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services or programming.

8.2.5 Fuel and Utility Storage. Outside above ground or below ground fuel storage tanks or other utility storage devices are prohibited. This provision does not include propane or similar tanks used in connection with normal residential gas or similar grills or outdoor cooking equipment.

8.2.6 Waste Disposal. All dumping, burning or storage of waste materials shall be performed only in compliance with applicable laws, ordinances and regulations.

8.2.7 Temporary Structures. Temporary Structures shall be permitted only during construction and shall be removed not later than thirty (30) days after completion of construction.

8.2.8 Signs. No signs shall be permitted except for (i) one permanent sign indicating the name of the owner of a Unit; (ii) one temporary sign relating to construction then being performed on such Unit; and (iii) one temporary sign indicating that such Unit is being offered for sale. No sign permitted under this paragraph shall be of a size greater than eighteen (18) inches by twenty-four (24) inches. This Section 8.2.8 shall not apply to signs erected by Declarant while the Property is being developed.

8.2.9 Offensive Activities. No obnoxious, dangerous or offensive activity or nuisance and no business, trade or commercial activity of any kind shall be conducted or maintained upon any part of a Unit.

8.2.10 Animals. No animal, fowl or other livestock shall be kept or maintained on any Unit, except for domestic house pets which are not kept, bred or maintained for commercial or business uses or purposes. Such domestic pets shall not be kept or maintained in numbers which may cause annoyance to neighboring Unit Owners. No domestic house pets permitted under this Section 8.2.10 may be housed outside and any such outdoor structures (for example, dog houses) are strictly prohibited. Whenever any such domestic house pets are outside, they shall be kept on leashes or otherwise under the

direct and immediate control of their owners. Unit Owners shall be responsible for promptly cleaning up after any domestic animals maintained by them and shall not permit any animal waste to accumulate on their Unit or on any portion of the Planned Community.

8.2.11 Further Subdivision. There shall be no further subdivision of any Unit by a Unit Owner other than the Declarant.

8.2.12 Dwelling size. No more than one (1) dwelling house may be constructed on each Unit. All dwelling houses and accessory buildings must meet all setback, yard and other requirements of all applicable ordinances and regulations.

8.2.13 Accessory Buildings. All gazebos and other fully or partially enclosed buildings or structures which are not part of a dwelling house shall be considered Accessory Buildings. Accessory buildings shall be permitted only within rear yard areas (i.e., behind the rear façade of the dwelling) on any Lot in the Planned Community; provided, however, all Accessory Buildings must be consistent with the design, materials and appearance of the home constructed on such Lot and shall be subject to the approval of the Committee.

8.2.14 Swing Sets. Swing sets and similar play equipment shall be located only within the rear yard area (i.e. behind the rear façade of the dwelling) of any Lot within the Planned Community.

8.2.15 Clothesline. No outdoor clotheslines shall be permitted.

8.2.16 Driveways. All driveways shall be paved with asphalt. Shared or multiple driveways shall be permitted only if required by the approved subdivision plan of the Planned Community. Patios, walkways and other impervious surface areas shall be constructed of materials similar to any driveway or driveways constructed on the Unit.

8.2.17 Roofing. Roofing materials shall be asphalt or fiberglass shingles.

8.2.18 Siding. Siding materials shall be stone (natural or man-made), brick, vinyl, cement or dryvit.

8.2.19 Shutters. All windows on the front façade of the dwelling shall have color-matching vinyl shutters.

8.2.20 Fences. All fences or freestanding walls shall be constructed of either black wrought iron or black anodized aluminum. No fence shall be greater than four (4) feet in height. No fencing shall be permitted in any front yard area of a Unit and no privacy fencing shall be permitted that creates a solid wall.

8.2.21 Lighting. Exterior lighting shall be shielded to prevent glare and shall not directly light areas beyond Unit boundaries. Post lights shall be installed and maintained as required by the Township. No decorative holiday lighting shall be placed on any dwelling earlier than November 25th annually and said lights shall be removed no later than January 25th.

8.2.22 Garages. Each Unit on which a house is constructed shall also have constructed on such Unit an attached garage for the storage of not less than two motor vehicles.

8.2.23 Hot Tubs and Saunas. Any outdoor hot tub, sauna or similar must be approved as to style, design and placement by the Committee.

8.2.24 Swimming Pools. All above-ground swimming pools shall be prohibited. For purposes of the preceding sentence, "above-ground swimming pool" shall be defined as any artificial or man-made pool or tank of water, any part of which extends more than six (6) inches above the level of the surrounding ground as graded. In-ground pools must conform to all applicable requirements of law and such other requirements as set forth herein. All in-ground pools must be surrounded by a fence, which shall be constructed so as not to have openings, holes or gaps larger than six (6) inches in any dimension and shall be constructed of black wrought iron or black anodized aluminum. All gates and doors shall be equipped with a self-closing and self-latching device for keeping the gate or door securely closed at all times when not in actual use, except that the door of any dwelling which forms a part of the enclosure need not be so equipped. No inflatable pools of a temporary nature larger than a four (4) foot diameter, eight (8) inch height "kiddie pool" will be permitted at any time and any "kiddie pool" must be emptied daily and stored inside.

8.2.25 Use of Streets. Until or unless they are accepted for dedication to the public, the streets within the Planned Community shall be used only for vehicular transportation and pedestrian travel of the Unit Owners, occupants, invitees and not as playgrounds, or for skateboarding, basketball, street hockey or any other athletic or recreational purposes and such use is prohibited without the prior written consent of the Executive Board.

8.2.26 Use of Common Facilities. There shall be no obstruction of the Common Facilities. Nothing may be constructed, placed or stored on the Common Facilities without the prior consent of the Executive Board. Nothing may be done on the Common Facilities that would in any way interfere with the use and enjoyment of any other Unit Owner or occupant within the Planned Community. The Executive Board may impose additional restrictions on the use of the Common Facilities as it deems necessary or advisable. Solar panels and similar facilities are permitted to be placed and/or erected on or within the open space areas of the Common Facilities subject to approval of the Declarant during the period of Declarant control and subject to approval of any applicable governmental agencies. Upon expiration of the period of Declarant Control, solar panels and similar facilities are permitted to be placed and/or erected on or within the open space areas of the Common Facilities subject to approval of the Executive Board and subject to approval of any applicable governmental agencies.

8.2.27 Laws and Ordinances. Each Unit Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of federal, state and/or municipal governments or authorities applicable to the use, occupancy, construction, improvement, and maintenance of any Unit, including any improvements or facilities erected thereupon. Without limiting the generality of the foregoing, all improvements constructed within or upon a Unit by a Unit Owner shall meet all applicable local, county or other building codes and municipal requirements including, but not limited to zoning requirements. The obligation to comply with all governmental requirements, including without limitation, the

obligation to obtain any required governmental permits and/or approvals, shall rest with the Unit Owner and not the Executive Board, the Architectural Standards Committee, or the Association. The approval by the Architectural Standards Committee of a Unit Owner's proposed improvements shall not relieve the Unit Owner of his obligation to design and construct the proposed improvements in accordance with the requirements of applicable building codes, laws, ordinances, rules, or regulations of any governmental authority or any other applicable agency, nor shall such approval constitute nor be construed as certification by the Architectural Standards Committee, the Executive Board or the Association that the proposed improvements meet or otherwise comply with architectural, engineering, or construction industry standards, or applicable building codes, laws, ordinances, rules, or regulations of any governmental authority or any other applicable agency. Neither the Declarant, the Architectural Standards Committee, the Executive Board, nor the Association shall be liable for any defects in any plans or specifications submitted, revised or approved, or any defects in construction undertaken in accordance with such plans and specifications, and the Unit Owner undertaking the construction, reconstruction, renovation or installation of any improvements within the Planned Community shall indemnify and hold harmless all of the foregoing from and against all costs, expenses, damages and claims whatsoever arising out of such Unit Owner's improvement activities.

8.2.28 Care of Lots. Owners shall, at all times, maintain their Unit and all appurtenances thereto in good repair and in a state of neat appearance, including but not limited to, the seeding, watering and mowing of all lawns and yards, keeping all sidewalks, if any, neat, clean and in good repair, and free of ice and snow, the pruning and cutting and replacement, as need and required, of all trees and shrubbery and the painting (or other appropriate external care) of all structures on the Unit, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Committee, any Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Executive Board, after fifteen (15) days written notice to such Owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Unit in question and to repair, maintain, repaint and restore the Unit and the improvements or structures thereon, and the cost thereof shall be a binding, personal obligation of such Unit Owner, as an additional assessment on the Unit.

8.2.29 No Structures within Storm Water Facilities and Stormwater Easements. No temporary or permanent structures shall be constructed or placed in, or shall obstruct or interfere with, any stormwater easements or storm water facilities as shown on the Plats and Plans or any amendments thereto, the Final Subdivision Plan or any subsequent subdivision and land development plans with respect to the Real Estate. For example, no shed, trampoline or soccer net shall be placed within a detention basin located within a Unit or a Common Element. The Association shall have the right to remove such structures upon the failure of the Unit Owner to remove such structure within thirty (30) days written notice to do so from the Association to the Unit Owner.

8.2.30 BMPs and Notice of Termination of NPDES Permit. The Final Subdivision Plan and PCSM Plan (including those for future phases of the Planned Community) contain

certain best management practices and operation and maintenance requirements set by the DEP (together, the "BMPs"). The Association, and if required each Unit Owner, shall cooperate with the Declarant and DEP, to the extent such BMPs may affect one or more Units, in order to ensure compliance with all BMPs within the Planned Community, including but limited to, the execution of any Notice of Termination, without any consideration, upon termination of the NPDES permit or any other permit, associated with the Real Estate and any other documents or procedures required by the DEP or the Township to transfer or otherwise conclude Declarant's obligations under the NPDES Permit, the BMPs, the PCSM Plans or any other stormwater management related document or plan.

8.2.31 These conditions, reservations, covenants and restrictions shall apply to all Units shown on the Plats and Plans whether vacant or improved and to all structures erected or to be erected thereon as well as to the alteration or improvement of or addition to any such structures.

8.2.32 Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Executive Board, subject to the right of the Association to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such Rules and Regulations or any amendments thereto.

8.2.33 Fines. In addition to any right the Executive Board has pursuant to the Act and other provisions stated herein, the Executive Board may set a reasonable fine of \$25.00 per day for any violation of any of the restrictions set forth above and other reasonable rules and regulations promulgated by the Executive Board, if not cured within a reasonable period of time as set forth in the notice to a Unit Owner which notice clearly sets forth the violation and the time for corrective action to be taken by the Unit Owner. Before any fine may be imposed, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Executive Committee. Notice of such hearing, including the charges that may be imposed, shall be given to the Unit Owner, at least ten (10) days in advance thereof. The aforementioned fine shall commence at the expiration of the time period for corrective action and continue until such corrective action has been taken by the Unit Owner. The fine shall be a lien on the Unit Owner's property in accordance with Section 10.13 below.

8.2.34 Suspension of Voting Rights. The voting rights of a Unit Owner shall be suspended for any violation of any of the restrictions set forth above and other reasonable rules and regulations promulgated by the Executive Board, if not cured within a reasonable period of time as set forth in the notice to a Unit Owner which notice clearly sets forth the violation and the time for corrective action to be taken by the Unit Owner. Before the voting rights of a Unit Owner may be suspended, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Executive Committee. Notice of such hearing, including the suspension of voting rights shall be given to the Unit Owner, at least ten (10) days in advance thereof. The suspension of voting rights shall commence at the expiration of the time period for corrective action and continue until such corrective action has been taken by the Unit Owner.



8.2.35 Limitations on Application of Restrictions. Notwithstanding anything herein to the contrary, the restrictions set forth in this Section 8.2 shall not apply to the Declarant, or the Declarant's agents or employees during the course of construction or repair of improvements upon any portion of the Planned Community to the extent that the restrictions would interfere with such construction or repair activities.

Section 8.3 Survival of Article VIII. The uses, restrictions and architectural standards as set forth in this Article VIII shall survive the termination of the Planned Community. It is the intent of Declarant that the use restrictions shall run with the land.

## **ARTICLE IX. LEASING**

Section 9.1 Leasing. The Unit Owner of any Unit may lease his respective property subject to the following terms and conditions:

9.1.1 Any lease between a Unit Owner and a lessee must be in writing.

9.1.2 The lease shall in no way relieve the Owner of any duty or obligation imposed by this Declaration.

9.1.3 A Unit Owner shall deliver a copy of the Declaration, the Bylaws and Rules and Regulations (the "Community Documents") to the Unit Owner's tenant or occupant ("Tenant") at the time any lease agreement is executed, and the Tenant shall sign a receipt therefor. Copies of any amendments to the Declaration, the Bylaws and Rules and Regulations received by the Unit Owner during the term of the Lease Agreement shall be forwarded by the Unit Owner to the Tenant upon receipt if the amendment(s) affect the Tenant's occupancy of the Unit; and

9.1.4 The rights of any Tenant of a Unit shall be subject to, and each Tenant shall be bound by the Community Documents, and a default thereunder shall constitute a default under the lease; and

9.1.5 The lease shall state that it is subject in all respects to, and that the lessee shall comply with all of the provisions of, the Declaration, the By-Laws and Rules and Regulations and that failure of the lessee to comply with any of the terms of the aforementioned documents shall be a default under the lease; and

9.1.6 A Unit Owner shall provide the Executive Board with the name(s) of the Tenant(s), the address of the leased Unit, the number of Tenants of the Unit and a copy of the receipt referred to in Section 9.1.3 within ten (10) days after execution of the Lease Agreement; and

9.1.7 A Unit Owner intending to lease or sublease his Unit shall provide his new mailing address, if at a location other than his Unit, to the Executive Board within ten (10) days after vacating his Unit.

Section 9.2 Exceptions. Notwithstanding the foregoing, the provisions of this Article IX shall not apply to Units leased or subleased by the Declarant.

**ARTICLE X.**  
**BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT**

Section 10.1 Definition of Common Expenses. Common Expenses shall include:

10.1.1 Expenses of administration, maintenance, and repair or replacement of the Common Elements and/or Controlled Facilities;

10.1.2 Expenses declared to be Common Expenses by the Planned Community Documents or the Act, including but not limited to the expenses incurred by the Association in connection with (a) the stormwater management facilities located on the Farmette Lot as described in Section 5.4 above and (b) the Deed of Easement described in Section 5.5 above;

10.1.3 Expenses agreed upon as Common Expenses by the Association; and

10.1.4 Such reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements and/or Controlled Facilities or any real or personal property acquired or held by the Association.

Section 10.2 Apportionment of Common Expenses. All Common Expenses shall be assessed against all Units in accordance with their respective Percentage Interests as shown on Exhibit "B" of this Declaration. Common expenses related to Limited Common Elements or Limited Controlled Facilities are assessed in equal shares against the Unit to which the Limited Common Elements or Limited Controlled Facilities were assigned at the time.

Section 10.3 Quarterly Payments. All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be on a calendar year basis and payments shall be due and payable in quarterly payments due and payable on the first day of January, April, July and October of each year or as otherwise determined by the Executive Board. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

Section 10.4 Subordination of Certain Charges. Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to §5302 (a) (10), (11) and (12) of the Act, shall be subordinate to the lien of a first mortgage on a Unit.

Section 10.5 Surplus. The budget of the Association shall segregate Limited Common Expenses from general Common Expenses. Any amounts accumulated from assessments for Limited Common Expenses and income from the operation of Limited Common Elements to which such Limited Common Expenses pertain in excess of the amount required for actual Limited Common Expenses shall be held by the Association as reserves for future Limited Common Expenses. Any amounts accumulated from

assessments for general Common Expenses and income from the operation of the Common Elements to which such general Common Expenses pertain in excess of the amount required for actual general Common Expenses shall be held by the Association as reserves for future general Common Expenses.

Section 10.6 Assignment of Income Rights. The Association may assign its rights to future income, including payments made on account of assessments for general Common Expenses and Limited Common Expenses, to secure any loan obtained by the Association for repairs, replacements or capital improvements to the Common Elements.

Section 10.7 Special Allocation of Expenses.

10.7.1 Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element or Limited Controlled Facility shall be assessed in equal shares against the Units to which that Limited Common Element or Limited Controlled Facility was assigned at the time the expense occurred.

10.7.2 Any Common Expense benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited.

10.7.3 The costs of insurance shall be assessed in proportion to risk, and the costs of any utilities that are separately metered to each Unit shall be assessed in proportion to usage.

10.7.4 If a Common Expense is caused by the negligence or misconduct of any Unit Owner, the Association may assess that expense exclusively against his Unit.

Section 10.8 Commencement of Common Expense Assessments. In general, Common Expense assessments may begin as of the date of conveyance of the first Unit to a Unit Owner other than the Declarant.

Section 10.9 Personal Liability of Unit Owners. The Owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless said successor agrees to assume the obligation.

Section 10.10 No Waiver of Liability for Common Expense. No Unit Owner may exempt himself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 10.11 Acceleration of Common Expense Assessments. In the event of default for a period of ten (10) days by any Unit Owner in the payment of any Common Expense assessment levied against his Unit, the Executive Board shall have the right to declare all unpaid assessments for the pertinent fiscal year to be immediately due and payable.

Section 10.12 Confessions of Judgment. IN ORDER TO EXPEDITE THE EXECUTIVE BOARD'S COLLECTION OF ANY DELINQUENT ASSESSMENT,

EACH UNIT OWNER (BY ACCEPTANCE OF THE DEED TO HIS UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE EXECUTIVE BOARD MEMBERS THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENT(S), WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS SECTION 10.12 AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL THIS DECLARATION SHALL BE TERMINATED.

Section 10.13 Lien.

10.13.1 The Association has a statutory lien on a Unit for any assessment levied against that Unit or fines imposed against the Unit Owner from the time the assessment or fine becomes delinquent. Fees, including attorneys' fees, late charges, fines and interest charged pursuant to the Act and the Community Documents are enforceable as assessments under this Section. If an assessment is payable in installments, and one or more installments is not paid when due, the entire outstanding balance of the assessment becomes effective as a lien from the due date of the delinquent installment.

10.13.2 Recording of this Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this Section is required.

10.13.3 Any lien for delinquent Common Expense assessments or other charges that the Association has on a Unit will be subordinate to a first mortgage on the Unit, if the mortgage was recorded before the due date of the assessment or the due date of the unpaid installment, if the assessment is payable in installments.

10.13.4 If a holder of a first mortgage on a Unit forecloses that mortgage, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which became due before the sale, other than the assessments which are prior to that mortgage in accordance with the provisions of the Act. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Unit Owners, including the purchaser.

10.13.5 Any fees, including attorney's fees, late charges, fines and interest which may be levied by the Executive Board pursuant to §5302(a) (10), (11) and (12) of the Act, shall be subordinate to the lien of a first mortgage on a Unit.

10.13.6 The Association's lien may be foreclosed in like manner as a mortgage on real property.

10.13.7 This Section does not prohibit actions to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

10.13.8 A judgment or decree in any action brought under this Section shall include costs and reasonable attorneys' fees for the prevailing party.

10.13.9 A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the assessments become payable; provided, that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

10.13.10 Any payments received by the Association in the discharge of a Unit Owner's obligation may, at the Association's discretion, be applied to the oldest balance due.

Section 10.14 Association Records. During the period of Declarant control, the Association shall keep financial records sufficiently detailed to enable the Association to comply with §5407 of the Act. All financial and other records shall be made reasonably available for examination by any Unit Owner and his authorized agents.

Section 10.15 Certificate of Payment of Common Expense Assessments. On written request, the Association shall furnish to a Unit Owner a statement in recordable form setting forth the amount of unpaid assessments currently levied against the Unit and any credits of surplus in favor of his Unit as required by §5315(g) of the Act. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner.

## **ARTICLE XI. RIGHTS OF PERMITTED MORTGAGEES**

Section 11.1 Entitlement of Mortgagee. Upon the specific written request of a holder of a mortgage on a Unit or its servicer to the Executive Board, the mortgagee shall be entitled to receive some or all of the following as designated in the request:

11.1.1 Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Owner of the Unit covered by the mortgage;

11.1.2 Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;

11.1.3 Copies of notices of meetings of the Unit Owners and the right to designate a representative to attend such meetings;

11.1.4 Notice of the decision of the Unit Owners to make any material amendment to this Declaration;

11.1.5 Notice of any default by the Owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Unit Owner of the existence of the default;

11.1.6 The right to examine the books and records of the Executive Board at any reasonable time; or

11.1.7 Notice of any decision by the Executive Board to terminate professional management and assume self-management of the Property.

Section 11.2 Requirements for Request by Mortgagee. The request of a mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board need not inquire into the validity of any request made by a mortgagee hereunder.

Section 11.3 Failure to Comply. Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

## **ARTICLE XII. EXECUTIVE BOARD; DECLARANT'S RIGHTS; SPECIAL DECLARANT RIGHTS**

Section 12.1 Control. Subject to the provisions below, Declarant's control of the Association will extend from the date of the first conveyance of a Unit to a person other than Declarant for a period of not more than seven (7) years, provided, however, that notwithstanding the foregoing, Declarant's control shall terminate regardless no later than the earlier of sixty (60) days after conveyance of seventy-five (75%) percent of the Units which may be created to Unit Owners other than Declarant, or two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business.

12.1.1 Until the 60th day after conveyance of twenty-five (25%) percent of the Units which may be created to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.

12.1.2 Not later than sixty (60) days after conveyance of twenty-five (25%) percent of the Units which may be created to Unit Owners other than Declarant, at least one (1) member and not less than twenty-five (25%) percent of the members of the Executive Board shall be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units which may be created to Unit Owners other than Declarant, not less than thirty-three (33%) percent of the members of the Executive Board shall be elected by Unit Owners other than Declarant.

12.1.3 Not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom shall be Unit Owners, provided that the Executive Board may consist of two (2) members, both of whom shall be Unit Owners, if the Planned Community consists of two (2) Units. The Executive Board shall elect the Officers and the Board and Officers shall take office upon election.

Section 12.2 Declarant Rights.

12.2.1 Notwithstanding any other provisions contained herein, for so long as the Declarant continues to own any Units, the following provisions shall be deemed to be in full force and effect, none of which, except as hereinafter provided, shall be construed so as to relieve the Declarant from any obligations of a Unit Owner to pay assessments as to each Unit within which has been erected a residential Dwelling for which a certificate of occupancy has been issued.

A. Declarant shall have the unrestricted right to sell or lease any Unit which the Declarant owns, or to use and occupy the same, upon such terms and conditions as it shall deem to be in its own best interests.

B. Declarant shall have the right to transact on the Property any business necessary to complete the construction of Units, Common Facilities and improvements and to consummate the sale of Units, including but not limited to the right to maintain models, display signs, sales offices, management offices, employees in an office, the right of use of the Common Facilities for such purpose as Declarant may deem appropriate, the right to maintain construction equipment, including construction trailers, and to conduct construction activities on the Property.

C. Declarant shall have the absolute right to make any alterations in or improvements to any Unit owned by Declarant, including the right to alter the boundaries between two (2) or more Units owned by Declarant, and, in connection with any such alterations or improvements, to revise the Plan and the shares of one or more of such Units; provided that no such revision shall affect the shares of any Units not owned by Declarant, except with the consent of the Owners of such Units and their respective mortgagee, if any. An appropriate amendment to this Declaration reflecting any such revision in the shares, and revised Plan indicating any such alterations in the boundaries of any such Units, need not be submitted to or approved by any other party whatsoever, but shall be executed solely by the Declarant and recorded.

D. The Declarant reserves all Special Declarant Rights (meaning the reservation of options or other rights for the benefit of the Declarant as provided in section 5103 of the Act), and such additional rights reserved for the benefit of the Declarant as set forth in this Declaration, the Plan and the Bylaws of the Association.

### Section 12.3 Transfer of Special Declarant Rights.

12.3.1 No Special Declarant Rights created or reserved under this subsection may be transferred except by an instrument evidencing the transfer recorded in the Recorder of Deeds Office of Lancaster County, Pennsylvania. The instrument shall be indexed in the name of Somerford at Stoner Farm in both the grantor and grantee index as well as in the name of Declarant in the grantor index and the name of the transferee in the grantee index. The instrument is not effective unless executed by the transferee.

12.3.2 Upon transfer of any Special Declarant Rights, the liability of the transferor Declarant and the liabilities and obligations of successors to Special Declarant Rights shall be determined in accordance with section 5304 of the Act.

12.3.3 Nothing in this Section subjects any successor to a Special Declarant Right to any claims against or other obligations of a transferor Declarant other than claims and obligations arising under this Declaration or the Act.

### Section 12.4 Restrictions on Declarant-Related Actions.

12.4.1 So long as a Declarant shall own any Units, no Declarant-related amendment shall be made to this Declaration or to any other governing document, nor shall any Declarant related governing document be executed, adopted or promulgated by, the Executive Board or the Association unless such Declarant related amendment or governing document shall be specifically approved in writing by Declarant.

12.4.2 For purposes of subparagraph 12.4.1., above, an amendment or governing document which does any of the following shall be considered to be Declarant-related:

- A. Discriminates or tends to discriminate against a Declarant as a Unit Owner, or otherwise.
- B. Directly or indirectly, by its provisions or in practical application, relates to any Declarant in a manner different from the manner in which it relates to other Unit Owners.
- C. Modifies the definitions provided for herein in a manner which alters Declarant's rights or status.
- D. Alters any previously recorded or written agreement with any public or quasi-public agencies, utility companies, political subdivisions, public authorities or other similar agencies or bodies, respecting zoning suspension, streets, roads, drives, easements or facilities.
- E. Alters or repeals any of Declarant's rights or any provision applicable to Declarant's rights as provided for by any provision of this Declaration or of any other governing document applicable to Declarant.

Section 12.5 Limitation of Liability. Except as is set forth in the Act, as the same applies to structural defects, the Declarant shall not be liable to any Unit Owner, their heirs,



executors or assigns, the Association, the Executive Board, any officer, any committee member, any mortgagee and/or other lienholder, any guest or invitee, and/or any other party whatsoever for any damage, loss or prejudice suffered or claimed whatsoever and for any reason whatsoever. Furthermore, any Owner or Owners, the Association and/or other occupant and/or any other party and/or the Executive Board, or any member thereof, or any officer who shall initiate or cause to initiate and/or bring and/or file any claim, demand, law suit or other legal proceeding against the Declarant for any reason whatsoever, if unsuccessful in said claim, demand, law suit or other legal proceedings, shall pay to the Declarant, on demand, the costs incurred by the Declarant, including attorneys' fees and court costs incurred in the defense of any such claim, demand, lawsuit or other legal proceeding of any kind or nature whatsoever.

### **ARTICLE XIII. POWERS OF THE ASSOCIATION AND LIMITATION OF LIABILITY**

Section 13.1 Powers of the Association. Subject to the provisions of this Declaration, the Association shall have all of the powers designated in §5302 of the Act, including the right to assign its right to receive future income, including payments made on account of any assessment against any Unit for Common Expenses and Limited Common Expenses.

Section 13.2 Conveyance or Encumbrance of the Common Elements. Provided that Unit Owners entitled to cast at least eighty percent (80%) of the votes in Association, at least eighty percent (80%) of which affirmative votes are allocated to Units not owned by the Declarant, agree, any one or more portions of the Common Elements may be conveyed or subjected to a security interest by the Association. Any conveyance or encumbrance of the Common Elements by the Association shall be effected in strict accordance with §5318 of the Act.

Section 13.3 Judgments Against the Association. Any creditor of the Association pursuant to a security interest shall exercise its rights against the Common Elements before its judgment lien on any Unit may be enforced. Otherwise, as a general rule, any judgment for money against the Association, upon perfection as a lien on real property, shall not be a lien on the Common Elements, but shall constitute a lien against all of the Units in the Community at the time the judgment was entered. Any Unit Owner may have his or her Unit released from the lien of the judgment upon payment of that portion of the lien attributable to his Unit in accordance with §5319(c) of the Act. After payment, the Association may not assess or have a lien against that Unit Owner's Unit for any portion of the Common Expense incurred in connection with that lien. A judgment indexed against the Association must be indexed against the Community and the Association, and when so indexed, shall constitute notice of the lien against the Units.

#### Section 13.4 Standard of Conduct.

13.4.1 In the performance of their duties, the officers and members of the Executive Board shall stand in a fiduciary relation to the Association and shall perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of

the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

13.4.2 In discharging the duties of their respective positions, the Executive Board members and officers may, in considering the best interests of the Association, consider the effects of any action upon employees and upon suppliers of the Association and upon communities in which the Planned Community is located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described above.

13.4.3 Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as an Executive Board member or officer or any failure to take any action shall be presumed to be in the best interest of the Association.

Section 13.5 Good Faith Reliance. In performing his duties, an officer or Executive Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

13.5.1 One or more other officers or employees of the Association whom the officer or Executive Board member reasonably believes to be reliable and competent in the matters presented.

13.5.2 Counsel, public accountants or other persons as to matters which the officer or Executive Board member reasonably believes to be within the professional or expert competence of such person.

13.5.3 A committee of the Executive Board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the officer or Executive Board member reasonably believes to merit confidence.

An officer or Executive Board member shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

Section 13.6 Limited Liability. No Executive Board member or officer, in his capacity as such, shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless he has breached or failed to perform the duties of his office under the standards described above; provided, however, that the provisions of this Section 13.6 shall not apply to the responsibility or liability of an Executive Board member or officer pursuant to any criminal statute, or to the liability of an Executive Board member or officer for the payment of taxes pursuant to local, state, or federal law.

Section 13.7 Indemnification. To the extent permitted under Pennsylvania law, each member of the Executive Board, in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding,

whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged to be in breach of the standards of conduct described above; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section 13.7 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

To the extent permissible under Pennsylvania law, expenses incurred by an Executive Board member or officer in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon the request of the Executive Board member or officer, after the Association has received an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association.

Section 13.8 Directors & Officers Insurance. The Executive Board shall obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section 13.7, if and to the extent available at reasonable cost.

#### **ARTICLE XIV. INSURANCE**

Section 14.1 Coverage. Commencing no later than the date on which title to the first Unit is conveyed and to the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in Section 14.2 and Section 14.3 and in accordance with the provisions of Section 5312 of the Act. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States Mail to all Unit Owners at their respective last known addresses.

Section 14.2 Property Insurance. Subject to the provisions of Section 14.4 below, the Association shall obtain and maintain all property insurance required to be maintained by the Association by Section 5312 of the Act.

Section 14.3 Liability Insurance. The Association shall obtain and maintain comprehensive general liability insurance, including medical payments insurance, in an amount reasonably determined by the Executive Board but in no event less than One Million Dollars (\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. The policy shall name any managing agent as an additional insured.

Section 14.4 Unit Owner Policies. Each Unit Owner shall be solely responsible for obtaining all property and liability insurance on his Unit in compliance with Section 5312 of the Act, including (1) property insurance on any dwelling located upon the Unit insuring against all common risks of direct physical loss in an amount at least equal to the full replacement value of the dwelling, exclusive of land, excavations, foundations and other items normally excluded from property policies, and (2) comprehensive general liability insurance covering all occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership or maintenance of the Unit in an amount not less than Three Hundred Thousand Dollars (\$300,000.00), or such other amount as may be reasonably determined from time to time by the Executive Board.

Section 14.5 Other Provisions. Insurance policies carried by the Association pursuant to this Article shall provide that:

14.5.1 Each Unit Owner is an insured person under the policy with respect to liability arising out of his membership in the Association.

14.5.2 The insurer waives its rights to subrogation under the policy against any Unit Owner or member of his household.

14.5.3 No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

14.5.4 If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

14.5.5 The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a security interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

Section 14.6 Fidelity Bonds. The Association shall maintain a blanket fidelity bond or similar security for anyone who either handles or is responsible for funds held or administered by the Association, whether or not he receives compensation for his services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond is in force, and in no event less than the sum of three months' Common Expense Liability and reserve funds on deposit. The bond shall include a provision that calls for thirty (30) days' written notice to the Association before the bond can be canceled or substantially modified for any reason. However, if cancellation is for nonpayment of premiums, only ten (10) days' notice shall be required.

Section 14.7 Worker's Compensation Insurance. The Executive Board shall obtain and maintain worker's compensation insurance to meet the requirements of the laws of the Commonwealth of Pennsylvania.

Section 14.8 Indemnification Insurance. The Executive Board shall obtain directors' and officers' liability insurance to satisfy the indemnification obligations set forth in Section 13.8 hereof, if and to the extent available at a reasonable cost.

Section 14.9 Other Insurance. The Association may carry other insurance that the Executive Board considers necessary or advisable to protect the Association or the Unit Owners.

Section 14.10 Premiums and Deductibles. Insurance premiums and deductibles for policies maintained by the Association shall be a Common Expense, unless the deductible may be charged against one or more Unit Owners pursuant to Section 5314(c)(4) of the Act.

## **ARTICLE XV. RIGHTS TO NOTICE AND COMMENT; NOTICE AND HEARING**

Section 15.1 Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules and Regulations, whenever the Community Documents require that an action be taken after "Notice and Comment", and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner in writing and shall be delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication that is routinely circulated to all Unit Owners. The notice shall be given not less than five (5) days before the proposed action is to be taken.

Section 15.2 Right to Notice and Hearing. Whenever the Community Documents require that an action be taken after "Notice and Hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Executive Board, a committee, an officer, the manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 15.3 Appeals. Any person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of any person or persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of the decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same notice and observing the same

procedures as were required for the original meeting. Otherwise, the decisions of the Executive Board are final.

**ARTICLE XVI.  
TERMINATION OF THE COMMUNITY**

Section 16.1 Procedure for Termination. Except in the case of a taking of all of the Units in the Planned Community by eminent domain, the Planned Community may be terminated by agreement of Unit Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated, at least eighty percent (80%) of which affirmative votes shall be allocated to Units not owned by the Declarant.

**ARTICLE XVII.  
INTERPRETATION**

Section 17.1 Interpretation. The provisions of this Declaration shall be liberally construed in order to effectuate the Declarant's desire to create a uniform plan for development and operation of the Planned Community. The headings preceding the various paragraphs of this Declaration and the Table of Contents are intended solely for the convenience of readers of this Declaration.

**ARTICLE XVIII.  
SEVERABILITY**

Section 18.1 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof unless such deletion shall destroy the uniform plan for development and operation of the planned community which this Declaration is intended to create.

[signature page to follow]

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 15<sup>th</sup> day of DECEMBER, 2020.

Attest:

SONSHINE HOLDING LP,  
By: JOSIAH, LLC, its General Partner

Sarah K. Young

By: William C. Briegel  
William C. Briegel, Assistant Vice President

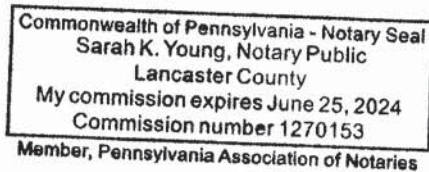
COMMONWEALTH OF PENNSYLVANIA :  
: SS  
COUNTY OF LANCASTER :

On this, the 15<sup>th</sup> day DECEMBER, 2020, before me, the undersigned officer, personally appeared William C. Briegel, known to me (or satisfactorily proven) to be the person whose name is subscribed as Assistant Vice President of Josiah, LLC, the General Partner of Sonshine Holding LP, and that he as such Assistant Vice President, being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Sarah K. Young (SEAL)  
Notary Public

My Commission Expires:



**JOINDER AND CONSENT OF TITLE OWNER**

Lancaster Bible College is the title owner of certain portions of the Real Estate to be submitted to the Planned Community Act, which portions are part of the Convertible/ Withdrawable Real Estate shown on the Plats and Plans as Lot 128. Said portions of the Real Estate owned by Lancaster Bible College are part of two tracts being subdivided so that they can be part of the Planned Community, which tracts of land are identified as follows: (1) part of Parcel ID 390-52847-0-0000 and part of the lands described in a deed recorded in Deed Book 5210, Page 326 in the Lancaster County Recorder of Deeds Office; and (2) part of Parcel ID 390-37646-0-0000 and part of the lands described in a deed recorded as Document #5395788 and part of the lands described in a deed recorded as Document #5535345 in the Lancaster County Recorder of Deeds Office. Declarant is the equitable owner of said portions of the Real Estate owned by Lancaster Bible College to be submitted to the Planned Community Act, and Lancaster Bible College intends to convey such portions of the Real Estate to Declarant, which conveyance will occur after the recording of this Declaration. Accordingly, Lancaster Bible College is joining in this Declaration for the sole purpose of submitting those portions of the Real Estate that it owns to the Planned Community Act to be part of the Convertible/Withdrawable Real Estate known as Lot 128 as shown on the Plats and Plans. In no event is Lot 125, which is also part of the lands owned by Lancaster Bible College, being submitted to the Planned Community Act as part of the Planned Community.

LANCASTER BIBLE COLLEGE:

By: *Matthew Mason*  
Matthew Mason, Vice President of Finance

NOTE: At the time of the recording of this Declaration all parties named above shall be indexed in the Grantor/Grantee indices of the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania.

COMMONWEALTH OF PENNSYLVANIA :  
: SS  
COUNTY OF LANCASTER :

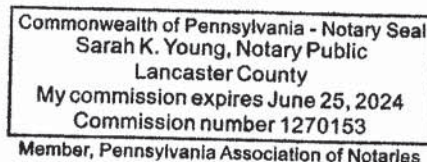
On this, the 15<sup>TH</sup> day DECEMBER, 2020, before me, the undersigned officer, personally appeared Matthew Mason, known to me (or satisfactorily proven) to be the person whose name is subscribed as Vice President of Finance of Lancaster Bible College, and that he as such Vice President of Finance, being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

*Sarah K. Young* (SEAL)  
Notary Public

My Commission Expires:

7517686.10





**EXHIBIT "A"**  
**Submitted Real Estate**

Legal Description

Stoner Farm - Overall Tract  
Final Subdivision and Land Development Plan

ALL THAT CERTAIN tract of land situate north of Eden Road (T-717) , and east side of U.S. Route 222 (S.R. 0222), in Manheim Township, Lancaster County, Pennsylvania; known as lands of 1051 Eden Road LP and lands of Lancaster Bible College as shown on a Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J , and being more fully bounded and described as follows:

BEGINNING AT A POINT, a concrete monument found on the eastern line of lands, now or formerly, of Manheim Township, said point also being in line of lands, now or formerly, of Jean Herr, thence extending along lands, now or formerly, of Jean Herr and along the terminus of Bluegrass Road, respectively, N09°31'33"E, 354.60' to a point on the northern line of Bluegrass Road; thence extending along the Bluegrass Road and lands, now or formerly, of June Uhler, respectively, S71°43'38"W, 479.85' to a point on the eastern right-of-way line of U.S. Route 222 (SR 0222), having passed over a 1" pipe found at the corner of lands, now or formerly, of June Uhler, 25.48' from the terminus of the aforementioned line; thence extending along the eastern right-of-way line of U.S. 222, the following four courses and distances: 1) on a line curving to the right, having a radius of 3,124.17', an arc length of 459.11', and a chord bearing of N22°44'12"E, 458.70' to a point, 2) N63°03'12"W, 20.00' to a point, 3) on a line curving to the right, having a radius of 3,144.17', an arc length of 1,263.50' and a chord bearing of N38°27'32"E, 1,255.01' to a point, and 3) N49°58'16"E, 399.28' to a rebar found at the corner of lands, now or formerly, of Manheim Township; thence extending along lands, now or formerly, of Manheim Township the following twelve courses and distances: 1) S51°21'23"E, 385.46' to a point, 2) N87°42'46"E, 677.27' to a rebar found, 3) S02°17'14"E, 211.15' to a rebar found, 4) S63°35'56"E, 178.19' to a rebar found, 5) S26°24'04"W 471.93' to a point, 6) S71°24'04"W, 28.28' to a point, 7) S26°24'04"W, 11.82' to a point, 8) N55°11'56"W, 35.38' to a point, 9) S26°24'04"W, 286.90' to a point, 10) S70°40'06"E, 55.42' to a point, 11) S26°24'04"W, 173.33' to a rebar found, 12) S71°50'46"W, 1,082.57' to a point, and 13) S71°55'51"W, 570.77' to the POINT OF BEGINNING.

CONTAINING:        56.724 Acres

EXCEPTING AND RESERVING the following tracts of land, being Lot 125, Lot 126 and Lot 127 as shown on the Plats and Plans and the Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J , which lots are not and shall not be part of the Planned Community, and being more fully bounded and described as follows:

Stoner Farm - Lot 125  
Final Subdivision and Land Development Plan

ALL THAT CERTAIN tract of land situate north of Eden Road (T-717), and east of U.S. Route 222 (S.R. 0222), in Manheim Township, Lancaster County, Pennsylvania; known as Lot 125, as shown on a Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J, and being more fully bounded and described as follows:

BEGINNING AT A POINT, a 1" pipe found on the northern line of Bluegrass road, thence extending to the eastern right-of-way line of U.S. Route 222 (SR 0222), ) S71°43'38"W, 25.48' to a point, thence extending along the eastern right-of-way line of U.S. 222, on a line curving to the right, having a radius of 3,124.17', an arc length of 284.09', and a chord bearing of N21°07'54"E, 283.99' to a point, thence extending along Lot 128 the following three courses and distances: 1) S82°21'56"E, 168.60' to a point, 2) on a line curving to the left, having a radius of 200.00', and arc length of 90.43', and a chord bearing of S05°19'09"E, 89.67' to a point, 3) S18°16'22"E, 58.39' to a point, the northern line of Bluegrass Road, thence extending along the northern line of Bluegrass Road, S71°43'38"W, 311.83 to the POINT OF BEGINNING.

CONTAINING: 1.050 AC.

Stoner Farm - Lot 126  
Final Subdivision and Land Development Plan

ALL THAT CERTAIN tract of land situate north of Eden Road (T-717), and east of U.S. Route 222 (S.R. 0222), in Manheim Township, Lancaster County, Pennsylvania; known as Lot 126, as shown on a Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J, and being more fully bounded and described as follows:

BEGINNING AT A POINT in line of lands now or formerly, of Manheim Township, said point also being a corner of Lot 19, as shown on the aforementioned plan, thence extending along Lot 19, S77°55'27"W, 204.82' to a point right-of-way of Bluegrass Road; thence extending along Bluegrass Road, on a line curving to the left, having a radius of 50.00', and arc length of 57.55' and a chord bearing of N45°03'02"W, 54.43' to a point, a corner of Lot 20; thence extending along Lot 20 and various other lots within Phase 1, the following eight courses and distances: 1) N11°58'28"E, 135.16' to a point, 2) S71°50'46"W, 130.29' to a point, 3) S18°09'14"E, 15.41' to a point, 4) S71°50'46"W, 66.00' to a point, 5) S18°09'14"E, 34.69' to a point, 6) S71°50'46"W, 149.99' to a point, 7) N18°09'14"W, 432.94' to a point, and 8) S71°50'46"W, 110.00' to a point on the eastern right-of way of Homestead Lane; thence extending along Homestead Land N18°09'14"W, 17.02' to a point on the northern right-of way of Stoner Lane; thence extending along Stoner Lane, S71°50'46"W, 192.35' to a point, a corner of Lot 128, Remaining Lands; thence

extending along Lot 128, the following eleven courses and distances: 1) N18°09'14"W, 110.24' to a point, 2) S71°50'46"W, 216.85' to a point, 3) S85°03'33"W, 59.23' to a point, 4) S03°09'43"W, 109.00' to a point, 5) on a line curving to the right, having a radius of 325.00', an arc length of 41.14' and a chord bearing of N83°12'41"W, 41.12' to a point, 6) N10°24'55"E, 124.07' to a point, 7) N85°16'27"E, 48.05' to a point, 8) N 36°28'50"E, 121.74' to a point, 9) N63°14'52"E, 84.00' to a point, 10) N46°18'58"E, 170.41' to a point, 11) N35°18'44"E, 247.91' to a point in line of Lot 127, lands to be conveyed to Manheim Township; thence extending along Lot 127, the following three courses and distances: 1) S40°18'21"E, 334.66' to a point, 2) N35°41'51"E, 84.11' to a point, and 3) N06°17'13"W 79.40' to a point, a corner of Lot 129, Remaining Lands; thence extending along Lot 129, the following fourteen courses and distances: 1) N86°40'30"E, 135.54' to a point, 2) N38°17'44"E, 16.88' to a point, 3) on a line curving to the left, having a radius of 50.00', and arc length of 92.45' to a point, having a chord bearing N75°19'34"E, 79.83' to a point, 4) on a line curving to the right, having a radius of 20.00', and arc length of 20.61', and a chord bearing of N51°52'47"E, 19.71' to a point, 5) on a line curving to the right, having a radius of 150.00', an arc length of 16.52' and a chord bearing of N84°33'28"E, 16.51' to a point, 6) N87°42'46"E, 193.55' to a point, 7) on a line curving to the right, having a radius of 150.00', an arc length of 103.60' and a chord bearing of S72°30'01"E, 101.56' to a point, 8) S37°17'12"W, 103.87' to a point, 9) S07°24'38"E, 56.96' to a point, S00°50'21"E, 75.00' to a point, 10) S03°07'59"E, 87.74' to a point, 11) S11°44'09"E, 102.88' to a point, 12) N64°27'07"E, 125.00' to a point, on a line curving to the left, having a radius of 235.00', an arc length of 135.83' and a chord bearing of S42°06'22"E, 133.94' to a point in line of lands, now or formerly, of Manheim Township; thence extending along lands, now or formerly, of Manheim Township the following six courses and distances: 1) S26°24'04"W, 24.86' to a point, 2) S71°24'04"W, 28.28' to a point, 3) S26°24'04"W, 11.82' to a point, 4) N55°11'56"W, 35.38' to a point, 5) S26°24'04"W, 286.90' to a point, and 6) S70°40'06"E, 39.79' to the POINT OF BEGINNING.

CONTAINING: 13.493 Acres

Stoner Farm - Lot 127  
Final Subdivision and Land Development Plan

ALL THAT CERTAIN tract of land situate north of Eden Road (T-717), and on the east side of U.S. Route 222 (S.R. 0222), in Manheim Township, Lancaster County, Pennsylvania; known as Lot 127, as shown on a Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J, and being more fully bounded and described as follows:

BEGINNING AT A POINT, a corner of Lot 128 as shown on the aforementioned plan, said point also being on the eastern right-of-way of U.S. Route 222, thence extending along the right-of-way of U.S. Route 222, N49°58'16"E, 326.64' rebar found, a corner of lands, now or formerly, of Manheim Township, of which the herein described tract is to be joined in common with; thence extending along lands, now or formerly, of Manheim Township the following five courses and distances: 1) S51°21'23"E, 385.46' to a point, 2) N87°42'46"E, 677.27' to a rebar found, 3) S02°17'14"E, 211.15' to a rebar found, 4) S63°35'56"E, 178.19' to a rebar found and 5) S26°24'04"W, 126.62' to a point, a corner of Lot 129 Remaining Lands; thence extending along

Lot 129 the following eleven courses and distances: 1) N03°26'57"W, 108.93' to a point, 2) S86°33'03"W, 208.62' to a point, 3) on a line curving to the left, having a radius of 200.00', an arc length of 36.95' and a chord bearing of N21°08'40"W, 36.90' to a point, 4) N63°33'46"E, 128.42' to a point, 5) N31°12'46"W, 99.47' to a point, 6) N60°28'30"W, 151.27' to a point, 7) N80°11'05"W, 113.65' to a point, 8) S87°42'46"W, 303.72' to a point, 9) S71°20'24"W, 113.01' to a point, 10) S22°01'06"W, 125.66' to a point, 11) S03°26'57"E, 73.49' to a point, a corner of Lot 126, Remaining Lands; thence extending along Lot 126 the following three courses and distances: 1) S06°17'13"E, 79.40' to a point, 1) S35°41'51"W, 84.11' to a point, and 3) N40°18'21"W, 334.66' to a point, a corner of Lot 128, Remaining Lands; thence extending along Lot 128 N52°21'54"W, 279.40' to the POINT OF BEGINNING.

CONTAINING: 4.960 Acres

Prepared by Hershey Surveying, Inc.  
November 25, 2020

**EXHIBIT "B"**  
**Units by Identifying Numbers and Percentage Interest**

Unit Identifying No.	Percentage Interest Common Expense Liability
1	2.38%
2	2.38%
3	2.38%
4	2.38%
5	2.38%
6	2.38%
7	2.38%
8	2.38%
9	2.38%
10	2.38%
11	2.38%
12	2.38%
13	2.38%
14	2.38%
15	2.38%
16	2.38%
17	2.38%
18	2.38%
19	2.38%
20	2.38%
21	2.38%
22	2.38%
23	2.38%
24	2.38%
25	2.38%
26	2.38%
27	2.38%
28	2.38%
29	2.38%
30	2.38%
50	2.38%
51	2.38%
52	2.38%
53	2.38%
54	2.38%
55	2.38%
56	2.38%
57	2.38%
58	2.38%
59	2.38%
60	2.38%
61	2.38%

**EXHIBIT "C"**  
**Plats and Plans**

The Plats and Plans of Somerford at Stoner Farm, a Planned Community, attached hereto, are recorded as a part of this document in the Office of the Recorder of Deeds of Lancaster County, Pennsylvania.



**EXHIBIT "D"**  
**Convertible Real Estate**  
**Legal Descriptions for Lot 128 and Lot 129**

Stoner Farm - Lot 128  
Final Subdivision and Land Development Plan

ALL THAT CERTAIN tract of land situate north of Eden Road (T-717), and on the east side of U.S. Route 222 (S.R. 0222), in Manheim Township, Lancaster County, Pennsylvania; known as Lot 128, as shown on a Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J, and being more fully bounded and described as follows:

BEGINNING AT A POINT, a corner of Lot 125 as shown on the aforementioned plan, said point also being on the eastern right-of-way of U.S. Route 222, thence extending along the right-of-way of U.S. Route 222 the following four courses and distances: 1) on a line curving to the right, having a radius of 3,125.17', an arc length of 175.02', and a chord bearing of N25°20'30"E, 175.00' to a point, 2) N63°03'12"W, 20.00' to a point, 3) on a line curving to the right, having a radius of 3,144.17', an arc length of 1,263.50', and a chord bearing of N38°27'32"E, 1,255.01' to a point, and 4) N49°58'16"E, 72.63' to a point, a corner of Lot 127, lands to be conveyed to Manheim Township; thence extending along Lot 127, S52°21'54"E, 279.40' to a point, a corner of Lot 126, Remaining Lands; thence extending along Lot 126 the following eleven courses and distances: 1) S35°18'44"W, 247.91' to a point, 2) S46°18'58"W, 170.41' to a point, 3) S63°14'52"W, 84.00' to a point, 4) S36°28'50"W, 121.74' to a point, 5) S85°16'27"W, 48.05' to a point, 6) S10°24'55"W, 124.07' to a point, 7) on a line curving to the left, having a radius of 325.00', and arc length of 41.14', and a chord bearing of S83°12'41"E, 41.12' to a point, 8) N03°09'43"E, 109.00' to a point, 9) N85°03'33"E, 59.23' to a point, 10) N71°50'46"E, 216.85' to a point, 11) S18°09'14"E, 110.24' to a point on the Phase 1 terminus of Stoner Land; thence extending along the Phase 1 Stoner Lane, Homestead Lane and along various lot within Phase 1 the following fourteen courses and distances: 1) S18°09'14"E, 50.00' to a point, 2) N71°50'46"E, 122.35' to a point, 3) on a line curving to the right, having a radius of 20.00', an arc length of 31.42', and a chord bearing of S63°09'14"E, 28.28' to a point, 4) S18°09'14"E, 190.00' to a point, 5) on a line curving to the right, having a radius of 20.00', an arc length of 31.42', and a chord bearing of S26°50'46"W, 28.28' to a point, 6) S18°09'14"E, 50.00' to a point, 7) on a line curving to the right, having a radius of 20.00', an arc length of 31.42', and a chord bearing of S63°09'14"E, 28.28' to a point, 8) S18°09'14"E, 95.00' to a point, 9) S71°50'46"W, 534.70' to a point, 10) on a line curving to the right, having a radius of 35.00', an arc length of 18.38', and a chord bearing of S86°53'18"W, 18.17' to a point, 11) N78°04'09"W, 341.20' to a point, 12) S45°22'15"W, 48.76' to a point, 13) S04°16'48"W, 54.82' to a point, and 14) S18°16'22"E, 63.44' to a point on the north right-of-way of Bluegrass Road; thence extending along Bluegrass Road, S71°43'38"W, 187.20' to a point, a corner of Lot 125; thence extending along Lot 125 the following three courses and distances: 1) N18°16'22"W, 58.39' to a point, 2) on a line curving to the right, having a radius of 200.00', and arc length of 90.43' and a chord bearing of N05°19'09"W, 89.67' to a point, and 3) N82°21'56"W, 168.60' to the POINT OF BEGINNING.

CONTAINING: 18.943 Acres



Stoner Farm - Lot 129  
Final Subdivision and Land Development Plan

ALL THAT CERTAIN tract of land situate north of Eden Road (T-717), and east of U.S. Route 222 (S.R. 0222), in Manheim Township, Lancaster County, Pennsylvania; known as Lot 129, as shown on a Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J, and being more fully bounded and described as follows:

BEGINNING AT A POINT in line of lands, now or formerly, of Manheim Township, said point also being a corner of Lot 126, Remaining Lands, thence extending along Lot 126 the following fourteen courses and distances: 1) on a line curving to the right, having a radius of 235.00', and arc length of 135.83', and a chord bearing of N42°06'22"W, 133.94' to a point, 2) S64°27'07"W, 125.00' to a point, 3) N11°44'09"W, 102.88' to a point, 4) N03°07'59"W, 87.74' to a point, 5) N00°50'21"W, 75.00' to a point, 6) N07°24'38"W, 56.96' to a point, 7) N37°17'12"E, 103.87' to a point, 8) on a line curving to the left, having a radius of 150.00', an arc length of 103.60', and a chord bearing of N72°30'01"W, 101.56' to a point, 9) S87°42'46"W, 193.55' to a point, 10) on a line curving to the left, having a radius of 150.00', and arc length of 16.52', and a chord bearing of S84°33'28"W, 16.51' to a point, 11) on a line curving to the left, having a radius of 20.00', an arc length of 20.61', and a chord bearing of S51°52'47"W, 19.71' to a point, 12) on a line curving to the right, having a radius of 50.00', an arc length of 92.45', and a chord bearing of S75°19'34"W, 79.83' to a point, 13) S 38°17'44"W, 16.88' to a point, and 14) S86°40'30"W, 135.54' to a point, a corner of Lot 127, lands to be conveyed to Manheim Township; thence extending along Lot 127, the following eleven courses and distances: 1) N03°26'57"W, 73.49' to a point, 2) N 22°01'06"E, 125.66' to a point, 3) N71°20'24"E, 113.01' to a point, 4) N87°42'46"E, 303.72' to a point, 5) S80°11'05"E, 113.65' to a point, 6) S 60°28'30"E, 151.27' to a point, 7) S31°12'42"E, 99.47' to a point, 8) S63°33'46"W, 128.42' to a point 9) on a line curving to the right, having a radius of 200.00', an arc length of 36.95' and a chord bearing of S21°08'40"E, 36.90' to a point, 10) N86°33'03"E, 208.62' to a point, and S03°26'57"E, 108.93' to a point in line of lands, now or formerly, of Manheim Township; thence extending along lands, now or formerly, of Manheim Township, S26°24'04"W, 320.45' to the POINT OF BEGINNING.

CONTAINING:        5.572 Acres

Prepared by Hershey Surveying, Inc.  
November 25, 2020

**EXHIBIT "E"**  
**Withdrawable Real Estate**  
**Legal Descriptions for Lot 128 and Lot 129**

Stoner Farm - Lot 128  
Final Subdivision and Land Development Plan

ALL THAT CERTAIN tract of land situate north of Eden Road (T-717), and on the east side of U.S. Route 222 (S.R. 0222), in Manheim Township, Lancaster County, Pennsylvania; known as Lot 128, as shown on a Final Subdivision and Land Development Plan for Stoner Farm (Phase 1), prepared by RGS Associates, Drawing Number: 2017332-087, Dated March 4, 2020, and recorded in and for the Office of the Lancaster County Recorder of Deeds in Instrument No. 2020-0462-J , and being more fully bounded and described as follows:

BEGINNING AT A POINT, a corner of Lot 125 as shown on the aforementioned plan, said point also being on the eastern right-of-way of U.S. Route 222, thence extending along the right-of-way of U.S. Route 222 the following four courses and distances: 1) on a line curving to the right, having a radius of 3,125.17', an arc length of 175.02', and a chord bearing of N25°20'30"E, 175.00' to a point, 2) N63°03'12"W, 20.00' to a point, 3) on a line curving to the right, having a radius of 3,144.17', an arc length of 1,263.50', and a chord bearing of N38°27'32"E, 1,255.01' to a point, and 4) N49°58'16"E, 72.63' to a point, a corner of Lot 127, lands to be conveyed to Manheim Township; thence extending along Lot 127, S52°21'54"E, 279.40' to a point, a corner of Lot 126, Remaining Lands; thence extending along Lot 126 the following eleven courses and distances: 1) S35°18'44"W, 247.91' to a point, 2) S46°18'58"W, 170.41' to a point, 3) S63°14'52"W, 84.00' to a point, 4) S36°28'50"W, 121.74' to a point, 5) S85°16'27"W, 48.05' to a point, 6) S10°24'55"W, 124.07' to a point, 7) on a line curving to the left, having a radius of 325.00', and arc length of 41.14', and a chord bearing of S83°12'41"E, 41.12' to a point, 8) N03°09'43"E, 109.00' to a point, 9) N85°03'33"E, 59.23' to a point, 10) N71°50'46"E, 216.85' to a point, 11) S18°09'14"E, 110.24' to a point on the Phase 1 terminus of Stoner Land; thence extending along the Phase 1 Stoner Lane, Homestead Lane and along various lot within Phase 1 the following fourteen courses and distances: 1) S18°09'14"E, 50.00' to a point, 2) N71°50'46"E, 122.35' to a point, 3) on a line curving to the right, having a radius of 20.00', an arc length of 31.42', and a chord bearing of S63°09'14"E, 28.28' to a point, 4) S18°09'14"E, 190.00' to a point, 5) on a line curving to the right, having a radius of 20.00', an arc length of 31.42', and a chord bearing of S26°50'46"W, 28.28' to a point, 6) S18°09'14"E, 50.00' to a point, 7) on a line curving to the right, having a radius of 20.00', an arc length of 31.42', and a chord bearing of S63°09'14"E, 28.28' to a point, 8) S18°09'14"E, 95.00' to a point, 9) S71°50'46"W, 534.70' to a point, 10) on a line curving to the right, having a radius of 35.00', an arc length of 18.38', and a chord bearing of S86°53'18"W, 18.17' to a point, 11) N78°04'09"W, 341.20' to a point, 12) S45°22'15"W, 48.76' to a point, 13) S04°16'48"W, 54.82' to a point, and 14) S18°16'22"E, 63.44' to a point on the north right-of-way of Bluegrass Road; thence extending along Bluegrass Road, S71°43'38"W, 187.20' to a point, a corner of Lot 125; thence extending along Lot 125 the following three courses and distances: 1) N18°16'22"W, 58.39' to a point, 2) on a line curving to the right, having a radius of 200.00', and arc length of 90.43' and a chord bearing of N05°19'09"W, 89.67' to a point, and 3) N82°21'56"W, 168.60' to the POINT OF BEGINNING.

CONTAINING: 18.943 Acres

Stoner Farm - Lot 129  
Final Subdivision and Land Development Plan

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CONTAINING:        5.572 Acres

Prepared by Hershey Surveying, Inc.  
November 25, 2020

## **EXHIBIT B**

***BYLAWS***

***OF***

***SOMERFORD AT STONER FARM***  
***COMMUNITY ASSOCIATION***

**BYLAWS**

**OF**

***SOMERFORD AT STONER FARM COMMUNITY  
ASSOCIATION***

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**BYLAWS  
OF  
*SOMERFORD AT STONER FARM  
COMMUNITY ASSOCIATION.***

**ARTICLE I.  
INTRODUCTORY PROVISIONS**

Section 1.1 Applicability. These Bylaws provide for the governance of the non-profit corporation known as Somerford at Stoner Farm Community Association (“corporation” or “Association”) pursuant to the requirements of Section 5306 of the Pennsylvania Uniform Planned Community Act (“Act”) with respect to the Planned Community, known as Somerford at Stoner Farm, a Planned Community, created by the recording of the Declaration of Somerford at Stoner Farm, A Planned Community, among the land records of Lancaster County, Pennsylvania.

Section 1.2 Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

Section 1.3 Compliance. Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.

Section 1.4 Office. The initial registered office of the corporation shall be 227 Granite Run Drive, Suite 100, Lancaster, PA 17601. Otherwise, the The office of the Planned Community, the corporation, and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

Section 1.5 Incorporation of Statutory Law. The corporation shall be a non-profit corporation pursuant to the laws of the Commonwealth of Pennsylvania. The “Board of Directors” described therein shall be referred to herein and in the Declaration as the “Executive Board.”

**ARTICLE II.  
THE ASSOCIATION FOR THE PLANNED COMMUNITY**

Section 2.1 Composition. The corporation which serves as the Association for the Planned Community is hereby organized on the date hereof as a non-profit corporation. The Association shall have members consisting of all of the Unit Owners acting as a group in accordance with the Act, the Declaration and these Bylaws. The corporation shall have the

responsibility of administering the Planned Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Planned Community and performing all of the other acts that may be required or permitted to be performed by the corporation pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board as more particularly set forth in these Bylaws.

Section 2.2 Annual Meetings. The annual meetings of the corporation shall be held on the third Thursday of September of each year unless such date shall occur on a holiday, in which event the meetings shall be held on the succeeding Monday. At such annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.3 of these Bylaws and such other business as may properly come before the meeting may be transacted.

Section 2.3 Place of Meetings. Meetings of the corporation shall be held at the principal office of the corporation or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.

Section 2.4 Special Meetings.

2.4.1 The President shall call a special meeting of the corporation if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least twenty-five percent of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within forty-five (45) days after receipt by the President of such resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure pursuant to Section 5.8 below, such meeting shall be held within fifteen (15) days after receipt by the President of such resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

2.4.2 Within sixty (60) days after conveyance of twenty-five (25%) percent of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which at least one (1) member and not less than twenty-five (25%) percent of the members of the Executive Board shall be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units which may be created to Unit Owners other than the Declarant, not less than thirty-three (33%) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

2.4.3 Not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three (3) members, all of whom shall be Unit Owners, provided that the Executive Board may consist of two (2) members, both of whom shall be Unit Owners, if the Planned Community consists of two (2) units. Such

successor members shall serve until the annual meeting of the corporation following the meeting at which they were elected.

2.4.4 Notwithstanding the foregoing, if any meeting required pursuant to Sections 2.4.2 and 2.4.3 above could be held on the date an annual meeting of the corporation is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.

Section 2.5 Notice of Meetings. The Secretary shall give to each Unit Owner a notice of each annual or regularly-scheduled meeting of the corporation at least ten (10) but not more than sixty (60) days, and of each special meeting of the Unit Owners at least ten (10) but not more than forty-five (45) days, prior to such meeting, stating the time, place and purpose thereof, including, without limitation, any proposed budget or assessment changes, the general nature of any proposed amendment to the Bylaws or Declaration, and any proposal to remove an Executive Board member or Officer. The giving of a notice of meeting in the manner provided in this Section and Section 9.1 of these Bylaws shall be considered service of notice.

Section 2.6 Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight (48) hours after the time for which the original meeting was called.

Section 2.7 Voting. Voting at all meetings of the Association shall be on a percentage basis and the percentages of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to such Unit Owner's Unit in the Declaration. If the owner of a Unit is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to cast the vote for such unit shall be the natural person named in a certificate executed by such entity pursuant to its governing documents. If the owner of a Unit is a trust, the trustee or trustees shall be deemed to be the owner for voting purposes. Where the ownership of a Unit is in more than one (1) Person, the Person who shall be entitled to cast the vote of such Unit shall be the natural person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named person from the meeting, the natural person who shall be entitled to cast the vote of such Unit shall be the natural person owning such Unit who is present. If more than one (1) of the multiple Owners is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 5310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the natural person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater

number is required by the Act, the Declaration or these Bylaws, the Owners of more than fifty (50%) percent of the aggregate Percentage Interests in the Planned Community voting in person or by proxy at one (1) time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the corporation. Any specified percentage of the Unit Owners means the Unit Owners owning such Percentage Interests in the aggregate. In all elections for Executive Board members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owner as provided in the Declaration. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected. Except as set forth in Section 2.4.2, if the Declarant owns or holds title to one (1) or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

Section 2.8 Proxies. A vote may be cast in person or by proxy. If a Unit is owned by more than one (1) Person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a holder of a mortgage on a Unit or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of one (1) year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

Section 2.9 Quorum. Except as set forth below, the presence in person or by proxy of Unit Owners of twenty-five (25%) percent or more of the aggregate Percentage Interests at the commencement of all meetings shall constitute a quorum at all meetings of the Unit Owners Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast ten (10%) percent of the votes which may be cast for the election of the Executive Board are present in person or by proxy at the beginning of the meeting.

Section 2.10 Conduct of Meetings. The President (or in the President's absence, the Vice President) shall preside over all meetings of the corporation, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the corporation. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the corporation when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

**ARTICLE III.  
EXECUTIVE BOARD**

Section 3.1 Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of at least three (3) natural persons, all of whom shall be Unit Owners or designees of the Declarant.

Section 3.2 Delegation of Powers; Managing Agent. The Executive Board may employ for the Planned Community a “Managing Agent” at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, where a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

3.2.1 to adopt the annual budget and any amendment thereto or to assess any Common Expenses;

3.2.2 to adopt, repeal or amend Rules and Regulations;

3.2.3 to designate signatories on corporate bank accounts;

3.2.4 to borrow money on behalf of the corporation;

3.2.5 to acquire, convey, and mortgage Units or Common Elements;

3.2.6 to grant easements, leases, licenses, and concessions over the Common Elements without the express approval of the Executive Board of such action.

Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty (30) days' written notice and without cause on no more than ninety (90) days' written notice. The term of any such contract may not exceed one (1) year.

Section 3.3 Election and Term of Office.

3.3.1 At the annual meeting of the corporation, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected (except as set forth in Sections 2.4.2 and 2.4.3 and Section 3.5 hereof) shall be fixed at three (3) years. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

3.3.2 Persons qualified to be members of the Executive Board may be nominated for election only as follows:

(a) Any Unit Owner may submit to the Secretary at least thirty (30) days before the meeting at which the election is to be held a nominating petition signed by Unit Owners owning at least ten (10) Units in the aggregate, together with a statement that the person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting; and

(b) Nominations may be submitted from the Floor at the meeting at which the election is held for each vacancy on the Executive Board for which no more than one (1) person has been nominated by petition.

Section 3.4 Removal or Resignation of Members of the Executive Board. Except with respect to members designated by the Declarant, at any regular or special meeting of the corporation duly called, any one (1) or more of the members of the Executive Board may be removed with or without cause by Unit Owners entitled to cast a majority of all votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least ten (10) days' notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit. The Declarant shall have the right to remove and replace any or all members appointed by the Declarant in accordance with the Act.

Section 3.5 Vacancies. Except as set forth in Section 3.4 above with respect to members appointed by the Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of Unit Owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor.

Section 3.6 Organization Meeting. The first meeting of the Executive Board following each annual meeting of the corporation shall be held within ten (10) days thereafter at such time and place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the

newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

Section 3.7 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least four (4) times during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telecopy, at least three (3) business days prior to the day named for such meeting.

Section 3.8 Special Meetings. Special meetings of the Executive Board may be called by the President on at least three (3) business days' notice to each member, given by mail or telecopy, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Executive Board.

Section 3.9 Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.10 Quorum of the Executive Board. A quorum is deemed present throughout any meeting of the Executive Board if persons entitled to cast fifty (50%) percent of the votes on the Board are present at the beginning of the meeting. The votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One (1) or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

Section 3.11 Compensation. No member of the Executive Board shall receive any compensation from the corporation for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties.

Section 3.12 Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

Section 3.13 Action Without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

Section 3.14 Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the corporation and one (1) or more of its Executive Board members or between the corporation and any corporation, firm or association in which one (1) or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

3.14.1 The fact that an Executive board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

3.14.2 The contract or transaction is made in good faith and is not unconscionable to the corporation at the time it is authorized, approved or ratified.

Section 3.15 Inclusion of Interested Board Members in the Quorum. Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.14 hereof.

#### **ARTICLE IV. OFFICERS**

Section 4.1 Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.



Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for such purpose.

Section 4.4 President. The President shall be the chief executive officer of the corporation, preside at all meetings of the corporation and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation. The President shall cease holding such office at such time as the President ceases to be a member of the Executive Board.

Section 4.5 Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other member of the Executive Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned to the Vice President by the Executive Board or by the President. The Vice President shall cease holding such office at such time as the Vice President ceases to be a member of the Executive Board.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the corporation and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and holders of mortgages on any Units hereunder shall be delivered and, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any Person, or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the corporation pursuant to Sections 5315(h), 5407(a) and 5407(b) of the Act and Section 5.6 and Section 5.11 below.

Section 4.7 Treasurer. The Treasurer shall have the responsibility for the safekeeping of corporate funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data and be responsible for the deposit of all monies in the name of the Executive Board, the corporation or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board and, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of Pennsylvania.

Section 4.8 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the corporation for expenditures or obligations in excess of Five Thousand Dollars (\$5,000) shall be executed by any two (2) officers of the corporation. All such

instruments for expenditures or obligations of Five Thousand Dollars (\$5,000) or less may be executed by any one (1) officer of the corporation.

Section 4.9 Compensation of Officers. No officer who is also a member of the Executive Board shall receive any compensation from the corporation for acting as such officer, but may be reimbursed for any out-of-pocket expenses incurred in performing such officer's duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

## **ARTICLE V. COMMON EXPENSES; BUDGETS**

Section 5.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

Section 5.2 Preparation and Approval of Budget.

5.2.1 On or before the first day of November of each year (or sixty (60) days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these Bylaws or a resolution of the corporation and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

5.2.2 On or before the next succeeding fifth (5th) day of November (or fifty-five (55) days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owner's assessments for General Common Expenses and Limited Common Expenses for the corporation and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 5.8 below.

5.2.3 The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

Section 5.3 Assessment and Payment of Common Expenses.

5.3.1 General Common Expenses. The Executive Board shall calculate the annual assessment for General Common Expenses, as defined in the Declaration, against each Unit by multiplying (a) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from sources other than Common Expense assessments by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year and multiplying the resultant product by (d) three (3). Such assessments shall be deemed to have been adopted and assessed quarterly on a calendar year basis and shall be due and payable on the first (1st) day of January, April, June and October of each year or as otherwise determined by the Executive Board, and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to General Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable in one (1) or more monthly assessments, as the Executive Board may determine.

5.3.2 Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expense which shall be assessed against the Unit Owners according to their respective Percentage Interests and shall be payable in one (1) or more monthly assessments as the Executive Board may determine.

Section 5.4 Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.3.1, 5.3.2 or otherwise as permitted or required by the Act, the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next annual assessment which is due more than ten (10) days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Sections 5.3.1 and 5.3.2.

Section 5.5 Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided in Section 5.3 above.

Section 5.6 Delivery of Approved Budget and Notice of Capital Expenditure; Effect of Failure to Prepare or Adopt Budget. The Executive Board shall deliver to all Unit Owners copies of each budget approved by the Executive Board and notice of any capital expenditure approved by the Executive Board promptly after each such approval. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay such Unit Owner's allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 5.7 Accounts; Audits. All sums collected by the Executive Board with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Executive Board.

Section 5.8 Rejection of Budget; Limitations on Expenditures and Borrowing. Anything herein to the contrary notwithstanding, the corporation, by majority vote of all votes in the corporation, may reject any budget or capital expenditure approved by the Executive Board, within thirty (30) days after approval by the Executive Board. The power of the Executive Board to expend funds, incur expenses or borrow money on behalf of the corporation is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds (2/3) of the votes in the corporation obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to (i) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than five (5%) percent of such aggregate amount after taking into account any projected increases in income, and (ii) to borrow money so that loans of the corporation then outstanding would exceed five (5%) percent of such aggregate amount.

Section 5.9 Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses and Controlled Facility Expenses (hereafter "Common Expenses") assessed by the Executive Board pursuant to the provisions of this Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit

subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice for the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five (5) days following a written request therefor to the Executive Board or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments with respect to the time period covered by such statement, in excess of the amount therein set forth; and, provided further that, subject to Section 3315(b)(2) of the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

Section 5.10 Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment not paid within five (5) days after its due date shall accrue a late charge in the amount of five (5%) percent of the overdue assessment in addition to interest at the rate of fifteen (15%) percent per annum or such other rate as may be determined by the Executive Board.

Section 5.11 Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Act.

## **ARTICLE VI. COMPLIANCE AND DEFAULT**

Section 6.1 Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of Declaration, these Bylaws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the following relief:

6.1.1 Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of his tenants, guests, invitees or licensees,

but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

6.1.2 Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

6.1.3 No Waiver of Rights. The failure of the corporation, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Executive Board Rules and Regulations or the Act shall not constitute a waiver of the right of the corporation, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the corporation, the Executive Board or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one (1) or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, the Rules and Regulations or the Act or at law or in equity.

6.1.4 Abating and Enjoining Violations by Unit Owners. The violation of any of the Executive Board Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Act shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

6.1.5 Fines. In addition to any right the Executive Board has pursuant to the Planned Community Act and other provisions stated herein, the Executive Board may set a reasonable fine of \$25.00 per day for any violation of any of the matters set forth above and other reasonable rules and regulations promulgated by the Executive Board, if not cured within a reasonable period of time as set forth in the notice to a Unit Owner which notice clearly sets forth the violation and the time for corrective action to be taken by the Unit Owner. Before any fine may be imposed, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Executive Committee. Notice of such hearing, including the charges that may be imposed, shall be

given to the Unit Owner, at least ten (10) days in advance thereof. The aforementioned fine shall commence at the expiration of the time period for corrective action and continue until such corrective action has been taken by the Unit Owner. The fine shall be a lien on the Unit Owner's property.

6.1.6 Suspension of Voting Rights. The voting rights of a Unit Owner shall be suspended for any violation of any of the matters set forth above and other reasonable rules and regulations promulgated by the Executive Board, if not cured within a reasonable period of time as set forth in the notice to a Unit Owner which notice clearly sets forth the violation and the time for corrective action to be taken by the Unit Owner. Before any fine may be imposed, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Executive Committee. Notice of such hearing, including the suspension of voting rights shall be given to the Unit Owner, at least ten (10) days in advance thereof. The suspension of voting rights shall commence at the expiration of the time period for corrective action and continue until such corrective action has been taken by the Unit Owner.

## **ARTICLE VII. AMENDMENTS**

Section 7.1 Amendments to Bylaws. These Bylaws may be modified or amended only by vote of Unit Owners entitled to cast a majority of the votes in the corporation, except as otherwise expressly set forth herein or in the Act; provided, however, that until the date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to Article 12 of the Declaration, Section 2.4 and Section 3.4 of the By-Laws, and this Section 7.1 may not be amended without the consent in writing of the Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to planned community projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

Section 7.2 Approval of Mortgagees. These Bylaws contain provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions in these Bylaws are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.

Section 7.3 Amendments to the Declaration. Any two (2) officers or Executive Board members of the corporation may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

Section 7.4 HUD/VA Rights. HUD/VA has the right to veto amendments as long as the Declarant is in control of the Board of the homeowner's association.

## **ARTICLE VIII. DISPUTE RESOLUTION**

### Section 8.1 Alternative Dispute Resolution.

In addition to the other methods contemplated by the Act, the Declaration, or these Bylaws, two or more Unit Owners or a Unit Owner and the Association may resolve any dispute between or among them concerning or arising under the Act, the Declaration, the Rules and Regulations or these Bylaws, where all parties, including the Association in all instances, mutually agree to settle such dispute by arbitration or mediation. Nothing in this Section shall be construed to affect or impair the right of a Unit Owner, the Declarant or the Association to pursue a private cause of action or seek other relief. Any alternative dispute resolution, including, arbitration and mediation, shall be limited to disputes where all parties, including the Association, agree to such alternative dispute resolution. Further, nothing in this Section 8.1 shall limit the Association's rights to collect any amounts owing by a Unit Owner pursuant to the Act, the Declaration or these Bylaws (collectively the "Collection Proceedings"), and the Association shall be deemed not to consent to having any such Collection Proceedings submitted to arbitration or mediation unless the Executive Board consents to such arbitration or mediation in writing.

### Section 8.2 Mediation.

If the Executive Board or a Unit Owner wishes to use mediation to settle a dispute as provided in Section 8.1 above, then the disputing party should first give written notice to the other party(s), including the Association, of its desire to use mediation, including a detailed description of the dispute and the name(s) of mediators the disputing party is willing to agree to as mediator. If the Executive Board or Unit Owner receives a request to use mediation to resolve a dispute, such responding party shall respond to such request in writing within seven (7) business days of receiving the request for mediation. If the Association does not respond within such seven (7) business day period to a request for mediation concerning a Collection Proceeding, it is deemed to not agree to use mediation with respect to such Collection Proceeding. If a Unit Owner or the Association (for the Association, with respect to all matters other than Collection Proceedings) does not respond within such seven (7) business day period, it is deemed to agree to use mediation. Within fourteen (14) days of receiving the request for mediation, the responding party shall send to the disputing party a written notice outlining its description of the dispute and the name(s) of the mediators the responding party is willing to



agree to as mediator. If the parties are unable to agree on the name of a mediator, the parties agree to jointly submit a request for appoint of a mediator to an independent third party for selection. The parties shall each bear their own attorney's fees related to such mediation and shall equally share the costs and fees associated with the mediator and the mediation process, unless otherwise agreed by the parties before or as part of the mediation settlement.

### Section 8.3 Arbitration.

If the Executive Board or a Unit Owner wishes to use arbitration to settle a dispute as provided in Section 8.1 above, then the disputing party should first give written notice to the other party(ies), including the Association, of its desire to use arbitration, including a detailed description of the dispute, a list of the remedies its seeks in arbitration, and the name(s) of arbitrators the disputing party is willing to agree to as arbitrator. If the Executive Board or Unit Owner receives a request to use arbitration to resolve a dispute, such responding party shall respond to such request within seven (7) business days of receiving the request for arbitration. If the Association does not respond within such seven (7) business day period to a request for arbitration concerning a Collection Proceeding, it is deemed to not agree to use arbitration with respect to such Collection Proceeding. If a Unit Owner or the Association (for the Association, with respect to all matters other than Collection Proceedings) does not respond within such seven (7) business day period, it is deemed to agree to use arbitration. Within fourteen (14) days of receiving the request for mediation, the responding party shall send to the disputing party a written notice outlining its description of the dispute, the list of remedies its seeks in arbitration, and the name(s) of the arbitrators the responding party is willing to agree to. If the parties are unable to agree on the name of an arbitrator, the parties agree to jointly submit a request for appoint of an arbitrator to an independent third party for selection. The parties shall each bear their own attorney's fees related to such arbitrator and shall equally share the costs and fees associated with the arbitrator and the arbitration process, unless otherwise agreed by the parties before or as part of the mediation settlement.

### Section 8.4 Qualified Arbitrators and Mediators.

The Association may develop a roster of qualified mediators and arbitrators who agree to accept appointments under these Bylaws. Such a roster will be made available to the Unit Owners upon request and may be amended from time to time by the Executive Board.

## **ARTICLE IX. MISCELLANEOUS**

Section 9.1 Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt, postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address

of the Unit of such Owner, or (ii) if to the corporation, the Executive Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one (1) Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 9.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 9.3 Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

## **EXHIBIT C**

## **AGREEMENT FOR SALE OF REAL ESTATE AND HOME CONSTRUCTION**

This purchase agreement (the "Agreement") is made as of the [MONTHDAY] day of [MONTH], [YEAR], by and between [OWNER], 227 Granite Run Drive, Suite 100, Lancaster, PA 17601 ("Seller"), and [BUYERS], (hereinafter individually and collectively known as "Buyer").

### **Buyer's Current Contact Information**

	<b><u>Buyer</u></b>	<b><u>Co-Buyer</u></b>
<b>Address:</b>	[BUYER1 ADDRESS]	[BUYER2 ADDRESS]
<b>City, State &amp; Zip Code:</b>	[BUYER1 CSZ]	[BUYER2 CSZ]
<b>Home Phone:</b>	[BUYER1 PHONEH]	[BUYER2 PHONEH]
<b>Work Phone:</b>	[BUYER1 PHONEW]	[BUYER2 PHONEW]
<b>Cell Phone:</b>	[BUYER1 PHONEM]	[BUYER2 PHONEM]
<b>Email Address:</b>	[BUYER1 EMAIL]	[BUYER2 EMAIL]

**For and in consideration of the mutual covenants set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:**

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### **1) Premises**

Seller agrees to sell unto Buyer, who agrees to purchase, the Premises as herein defined, together with a single family home/townhouse/duplex home (the "Home") thereon erected, under terms and conditions as herein set forth. The Premises is defined as follows:

<b>Community:</b>	[COMMUNITY]
<b>Homesite Number:</b>	[LOT NUMBER]
<b>Commonly Known as:</b>	[LOT ADDRESS]
<b>Municipality:</b>	[MUNICIPALITY]
<b>County:</b>	[COUNTY]
<b>Model / Plan Type:</b>	[MODEL INFO]

### **2) Consideration and Basis for Agreement**

Seller agrees with the Buyer to erect, construct, and complete in a good, substantial and workmanlike manner the following Home according to the Specifications attached hereto and signed by the parties (the "Specifications") and the Plans approved by the parties (the "Plans"):

- a. Seller shall use only new materials as described in the attached Specifications unless otherwise stated; maintain order on the job; be responsible for all work and payment of subcontractors; and keep and leave the premises in a good and presentable condition. The residence shall be constructed per the approved Plans.
- b. Model homes, and any advertising or promotional materials used or displayed by Seller, are for display purposes only, are not the basis of this Agreement, and do not constitute a representation as to the design or construction of the Home. The obligations of the Seller under this Agreement shall be determined solely by reference to the Plans and Specifications referred to above and the terms of this Agreement. Description of work, contract price, payment schedule, and special considerations related to this specific job are set forth in addenda to this Agreement known as the Agreement Documents, which may or may not be attached hereto and are made a part hereof, which include, but are not limited to, Seller Addendums, Recorded Plat Plan, Affiliated Business Disclosure, Standard Plan for the home plan chosen, KeyChoices Builders Agreement Summary, Key Choices Summary, Living Choice Agreement Summary (LC), Final Living Choice Agreement Summary (FLC), Final Decorating Choices Agreement Summary (FDCA), Personal Choice Requests (PCR) (most of which will be completed after this date), site plan, Specifications, and standard floor Plans, and Buyer's Estimate of Closing Costs, Buyer acknowledges that Plans, Specifications, and marketing materials and displays are informational only, and mitnor adjustments to Plans, changes or modifications to Specifications, and substitution of supplies,

materials, or products is likely and in no way affects this Agreement or the ability by Seller to make any change without notice to Buyer.

- c. Seller makes no representation with respect to homesite grades, homesite area, options, facades, location of walks and driveways, personal property, fences, patios, decks, recreational facilities, landscaping, decorating items, and other items in or about the model home which are for display purposes only and are not included in the Purchase Price, unless otherwise expressly provided herein.
- d. Except as set forth in the Public Offering Statement if any, Seller makes no representation with respect to the home type, size, style, price range or location of other homes to be built in this sub-division or in other sub-divisions in the vicinity of the Premises. Buyer acknowledges that all site Plans, generalized development Plans, plats or renderings which may have been exhibited showing or indicating home types, the location of the homes on homesites, grading or landscaping are projections only and are not binding upon Seller, and no representative of Seller is authorized to make any representation with regard to these items. In addition, Seller makes no representations as to the location of utility transformers and utility pedestals on the Premises as solely the utility companies, and not the Seller, determine the location of these facilities.
- e. Buyer is aware that there may be a separate Owner of the land and they may have a separate agreement with Seller to subordinate their interest to Seller while the Home is under construction and prior to Settlement. This means that Seller may not own or have title to the purchased homesite; title shall be transferred to the Buyer at Settlement.
- f. Buyer is aware of, has seen, and accepts the Premises, including any detention basins, swales, drainage easements, right-of-ways and clear site triangles, or any other homesite restrictions, which may affect the described homesite.
- g. Buyer further acknowledges that there are many accepted methods of calculating the square footage of structures. In its marketing brochure and documents, Seller may use different methods of calculating the square footage of the home and makes no representations as the actual square footage of the home, regardless of the method utilized.
- h. Seller provides multiple elevations for each of the models offered in a community. The same model and elevation cannot be placed on adjoining homesites. Seller reserves the right to make exceptions to this policy.
- i. Unless otherwise provided by addendum attached to this Agreement and listed below, Buyer specifically warrants that they are not represented by a Buyer's Agent, or Realtor in negotiating this Agreement.

**Agent Name:** [COOP AGENT NAME]

**Company:** [COOP AGENT COMPANY]

**Address:** [COOP AGENT ADDRESS]

**City, State, Zip:** [COOP AGENT CSZ]

**Phone:** [COOP AGENT PHONE]

**Email:** [COOP AGENT EMAIL]

- j. Home to Sell

| R1 | Non-Contingent – Construction of New Home is not subject to the sale of my existing home

| R2 |

Contingent – 'Keystone Home to Sell Advantage': (\$175.00 includes Price Guarantee, Incentive lock, and The Home Evaluation of current home, programs and lenders available to you)

### 3) Purchase Price & Payments

Buyer agrees to pay to Seller for the Premises, including the options listed on the KeyChoices

Summary, the sum of [QUOTE TOTAL TEXT] Dollars (\$[QUOTE TOTAL]) (the "Purchase Price") as shown on the KeyChoices Builder's Agreement Summary attached and made part of this agreement. Buyer acknowledges that this Purchase Price will be amended from time to time until the final total Purchase Price is determined upon completion of Buyer's LC, FLC, FDCA, and PCRs.

**PAYMENT TERMS AS FOLLOWS:**

Description	Date Due	Amount
1) Deposit(s) at signing this Agreement		\$ DEPOSIT1
2) Additional Deposit (Cash/Check) due before	DATE_DEPOSIT2	\$ DEPOSIT2
3) Additional Deposit (Cash/Check) due before	DATE_DEPOSIT3	\$ DEPOSIT3
4) The balance in immediately available funds on the date of Settlement		\$ BALANCE

a. The normal and customary Deposit as earnest money is 7% of the sales price. If the initial Deposit is less than 7%, Purchaser shall sign a Promissory Note for the balance of the deposit. Upon receipt of the full Deposit, the Promissory Note will be voided. Deposit is required even for 100% mortgage loan where no down payment is required. Deposit will be returned at Settlement.

b. Payment of transfer taxes and recordation fees:

PA - Seller shall pay ½ of such taxes and Buyer will pay ½ of such taxes

MD – State transfer tax is .5% paid by buyer, if First Time MD Homebuyer the State transfer tax is .25% paid by the seller. County transfer tax and recordation taxes are paid by the buyer in all transaction

c. Applicable real estate taxes, association assessments (if any) and municipal assessments shall be prorated between Buyer and Seller as of the date of Settlement on a fiscal year basis. Any interim assessment of real estate taxes resulting from the construction of the Home shall be borne by Buyer.

d. If any checks are returned Non-Sufficient Funds, Buyer agrees to pay a \$50.00 service fee.

e. If Buyer or Buyer's lender delays Settlement, interest will be charged on the total Purchase Price of the home at 10% per annum, until Settlement occurs. However, this late charge shall not be construed as a waiver on the part of Seller of any of Seller's rights or remedies. The parties constituting Buyer shall be jointly and severally liable hereunder.

**4) Mortgage Contingency**

Within three business (3) days after Seller's execution of this Agreement, Buyer, at Buyer's expense, shall submit an application for a **Conventional** or **Government** (FHA, VA, USDA or other) loan to a Preferred Lender of the Seller in the principal amount of \$|LOAN\_PRINCIPAL| with a maximum interest rate of |LOAN\_PERCENT|% and a minimum term of |TERM| years. or such interest rate and terms as the Buyer may qualify for since financing is based on credit scores, employment history, debt to income ratios, etc. of which Seller may have no knowledge. Buyer agrees to complete a financial form/statement for Seller and hereby authorizes any lender processing the mortgage application to provide any information to Seller as requested by Seller, including credit scores. Buyer agrees to diligently apply for, negotiate and attempt in good faith to obtain a mortgage loan commitment from the lender, in a form reasonably acceptable to Seller. Buyer shall keep Seller informed of the status of Buyer's loan application. If Buyer, in Seller's sole discretion, does not use good faith efforts in attempting to procure a mortgage loan, Buyer shall be in default of this Agreement and Seller may exercise any remedies it may have hereunder.

If, within thirty (30) days from the date this Agreement has been signed by both Buyer and Seller (the "Commitment Period"), Buyer has not obtained a commitment for mortgage financing (the "Commitment"), Seller may, at its sole discretion, elect to terminate this Agreement by written notice to Buyer. If the buyer fails to notify Seller, in writing, of Buyer's inability to secure a mortgage within thirty (30) days from the date of this Agreement, this mortgage contingency shall be deemed for all purposes to be satisfied. If the Commitment is not issued in spite of Buyer's good faith efforts, the Seller may terminate the Agreement and, in that event, Seller shall refund the Deposit, after which neither party shall have any further obligation or liability to the other. In the event Seller does not terminate the Agreement, Seller, at its option, may extend the Commitment Period for additional thirty (30) day periods during which time Buyer shall continue to diligently seek financing in good faith. Buyer shall continue to seek satisfaction of this financing contingency and Seller shall have the right, but not the obligation, to attempt to obtain for Buyer a Commitment in the amount set forth above at a rate not exceeding the rate set forth above. Buyer shall cooperate with Seller and any mortgage lender as may be necessary in order to effectuate the issuance of such Commitment and to close said loan, all at the sole expense of Buyer. In no event shall Seller have any liability to Buyer whatsoever

on account of any lender's refusal to approve Buyer's loan application or to make the loan after issuance of a Commitment for any reason, other than the obligation of Seller to refund the Deposit to Buyer if required by this Agreement.

After issuance of the Commitment, Buyer shall continue to work in good faith with the Lender to ensure that the Commitment does not lapse or is not terminated. The Commitment shall not be modified by Buyer without the prior written consent of the Seller. If the Commitment is revoked, lapses or is terminated by the lender for any reason not caused by Seller, Buyer shall be in default of this Agreement, and Seller shall have the right to exercise any remedies it may have under this Agreement, including, but not limited to, retention of the Deposit. If the Commitment is contingent on any conditions imposed by the lender, the Buyer is responsible for meeting all such conditions. If the Lender requires preparation of a home location survey, or "as built survey," Seller shall prepare such survey at Buyer's expense. Unless required by the appropriate jurisdiction, the home location survey shall not include staking of homesite boundaries.

Any incentive offered in section 11c is conditioned upon the Buyer using a Seller's Preferred mortgage lender to whom Buyer intends to make application for mortgage financing for the purchase of the Premises (the "Lender"), as provided in Section 4 of the Agreement. Buyer agrees to comply with any time schedules established by the Lender for delivery of documents and information (the "Time Schedules"), and Buyer understands that the times established in the Time Schedules are of the essence of the Agreement. In the event that Buyer fails to provide any requested documents or information within time periods established in the Time Schedules, the Incentive for which provision is made herein shall be reduced by Three Thousand Dollars (\$3,000.00).

## 5) Warranty

Upon the execution of this Agreement, Buyer shall be given access to an electronic record of all Warranties offered by Seller, and Buyer shall have a period of three (3) days from the date of execution to review the Warranties. If Buyer has provided Seller with no written objections to any Warranty within such time period, Buyer shall be deemed to have accepted the terms of all Warranties.

- a. Seller Limited Warranty - Buyer acknowledges that he/she has been afforded the opportunity to review the limited warranty to be provided by Seller, which is the limited warranty made by Keystone Custom Homes, Inc., the builder of the home, prior to execution of this Agreement, and agrees to accept this warranty being given to Buyer.
- b. **THE WARRANTIES IN SECTION #5 OF THIS AGREEMENT ARE THE ONLY WARRANTIES APPLICABLE TO THE PREMISES. NO IMPLIED WARRANTY (WHETHER OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE) IS GIVEN ON ANY PORTIONS OF THE PREMISES. NO WARRANTY, EXPRESSED OR IMPLIED, IS GIVEN AS TO THE ITEMS OF PERSONAL PROPERTY BEING SOLD [OR AS TO ANY "CONSUMER PRODUCT," AS SUCH TERM IS DEFINED IN 15 U.S.C. §2301(1)]. THE SELLER HAS NOT AUTHORIZED ANY PERSON TO MODIFY THE TERMS OF THE WARRANTIES DESCRIBED HEREIN. THE SELLER ASSUMES NO LIABILITY OR OBLIGATIONS ON ACCOUNT OF REPRESENTATIONS MADE BY ANY OTHER PERSON. THE OBLIGATIONS OF SELLER ARE LIMITED SOLELY TO THE REPAIR OR REPLACEMENT OF THE DEFECTIVE COMPONENT AND DO NOT EXTEND TO ANY DAMAGE OR HARM RESULTING THEREBY OR THEREFROM. THE SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES OR PERSONAL INJURIES ARISING FROM BREACH OF ANY OF THE LIMITED WARRANTIES DESCRIBED IN THIS AGREEMENT. IF ANY DEFECT IS DISCOVERED DURING THE APPLICABLE WARRANTY PERIOD, SELLER SHALL HAVE THE EXCLUSIVE RIGHT TO DETERMINE WHETHER THE DEFECT SHALL BE CORRECTED BY REPAIR, ADJUSTMENT OR REPLACEMENT. NO LIMITED WARRANTY CONTAINED HEREIN COVERS A DEFECTIVE PORTION OF THE PREMISES WHICH HAS BEEN SUBJECT TO ALTERATION, MISUSE OR ACCIDENTAL DAMAGE (CAUSED BY PERSONS OTHER THAN SELLER'S EMPLOYEES AND AGENTS) OR HAS NOT BEEN AFFORDED REASONABLE CARE.**
- c. Seller Twenty-Year Structural Warranty – In addition to warranties provided under §5411 of the Pennsylvania Uniform Planned Communities Act, Buyer acknowledges that he/she has been afforded the opportunity to review Seller's 20-Year Warranty prior to execution of this Agreement, and agrees to accept this warranty.
- d. Manufacturer Warranties – Seller hereby assigns to Buyer the manufacturer warranties on all appliances, equipment, and other consumer products to be installed on the Premises. It is the sole responsibility of the Buyer to make any claims under the manufacturer warranties.

## 6) Pre-Conditions to Construction

- a. All cash payments as required in paragraph 3 within the time provided.
- b. A written Mortgage Commitment signed by Buyer, as required within the time period indicated in paragraph 4 above.
- c. All necessary governmental approvals and permits. Buyer understands that all Deposits become non-refundable at the time **APPLICATION** is made for Building and/or Sewer Permits or thirty (30) days from this date, whichever is sooner, except in the case of extensions of the Commitment Period by Seller. Once Seller breaks ground on the home, has any remaining contingencies that have not been met prior to that point are deemed satisfied.
- d. All permits required for Home construction shall be obtained by Seller and all fees that may be required therefore will be paid by Seller. Should the Buyer own the lot to be built on, Seller will obtain the same permits that would be required if the Seller owned the lot. Any permits required beyond those permits are the responsibility of the Buyer.
- e. In the event that the KeyChoices Pre-Construction dates identified in the Buyer Timeline for Mortgage Application, Living Choices, Final Living Choices, and Decorating Choices are not met due to Buyer non-performance, Buyer agrees and understands that Seller has the right to postpone the established Break Ground Date. Buyer will be placed in the next available date that coincides with the Buyer's ability to comply with the KeyChoices Pre-Construction dates. Buyer also understands and agrees that should Seller need to remove a job from a schedule slot due to Buyer's non-performance of specified Pre-Construction dates, the Buyer will be charged via KeyChoices Delay in Start Option for the corresponding delayed period of time (minimum of 1 month).
- f. Seller requires Homesite Settlement to occur if "Construction-to-Permanent" financing is used or Seller is building on Buyer's Homesite; or, receipt of an unconditional mortgage commitment if End-loan financing is being used, 30 days prior to the Break Ground Date.
- g. Seller shall ensure that any contractor or subcontractor engaged in the construction of the Home shall maintain builder workman's compensation, liability, and builder's risk insurance while Home is under construction.
  - i. If the buyer chooses to use a construction loan, the Buyer shall obtain and maintain fire and extended coverage insurance, (including theft coverage) with Seller being named as additional insured while the home is under construction and as required by the Buyer's lender. This coverage must be obtained by Homesite Settlement.
- h. Seller reserves the right to require Buyer to execute a Promissory Note secured by a mortgage in a form acceptable to Seller in an amount equal to the construction cost of the Home if the Buyer's Home is to be built on a homesite not owned by Seller or one of its affiliated companies or if Buyer does not provide the minimum earnest money of 7% of the Purchase Price at the signing of this contract.
- i. In accordance with PA Act 1, 2011 – Buyer has been advised of and understands the initial cost of including a sprinkler as an option made available through KeyChoices. The Buyers has the ability to purchase the option if desired at the Buyer's expense. Additionally, the Buyer understands that it is recommended for an installed sprinkler system to be inspected and maintained on a regular basis by a professional. The system includes, but is not limited to, the water tank, pump, piping and heads. Failure to do so may result in the system not performing as designed or potential leaks, which can cause significant water damage in some cases. Lastly, the Buyer has been provided the Internet link for the State Commissioner's website that discusses the possible benefits of installing an automatic sprinkler. If the Buyer does not have Internet access, Buyer may request this information to be printed for them through the New Home Advisor. The website address is [www.osfc.state.pa.us](http://www.osfc.state.pa.us)
- j. Living Choices are defined as any Choice that affects the construction drawings. Design Gallery Choices are defined as a color or finish material upgrade including floor covering material type changes. All Buyer Choices affecting Plans must be finalized at the Final Living Choices (FLC) Meeting. All Design Gallery Choices must be finalized at the Final Design Gallery Choices (FDC) meeting as referenced on the Buyer Timeline.
- k. Buyer is encouraged to visit the Home while it is under construction. While Buyer is prohibited from entering the premises on his or her own, Buyer may contact Seller or the New Home Advisor handling this transaction to accompany Buyer to visit the Home at a mutually agreeable time. When entering the Premises, Buyer



acknowledges the fact that Buyer is aware of the dangerous conditions that are inherently present on a residential construction site. Buyer accepts that visitors be limited to only those listed as Buyer on this Agreement. Buyer will be solely responsible for protecting themselves during visits to any construction site by wearing safety equipment as may be designated by Seller. Buyer hereby releases Seller, its subcontractors and representatives from any and all liability for accidents or damage that may occur to them, and their personal property on the job site during the entire term of construction. Finally, Buyer agree(s) that they will not bring or allow any children onto the job site at any time. Seller at its sole discretion reserves the right to withdraw privileges and restrict access to the home site during construction.

- I. Unless otherwise provided by addendum attached to this Agreement, Buyer specifically warrants that this Agreement and Buyer's ability to qualify for the mortgage loan described in paragraph 4 above is in no way is contingent upon the sale, rental, settlement or other disposition of any other property owned by the Buyer.

## 7) Adjacent Land Uses

Seller makes no representations as to the proposed or approved uses for land adjacent to the Premises or the subdivision, which contains the Premises.

## 8) Completion of Construction

- a. All construction shall be subject to the sole supervision and control of Seller. Buyer or Buyer's agent shall not enter into any other contracts or agreements with any other contractor or entity for the performing any work on the premises during the term of this Agreement unless provisions are made in the Specifications or Seller consents in writing to the same. The Buyer is not permitted to do any work, furnish materials, or apply any materials to the Premises until after final Settlement. Buyer acknowledges that part of the consideration for Seller issuing its 20-Year Structural Warranty is Buyer's covenant to comply with this section. Upon breach of this provision by Buyer, Seller may elect to void the 20-Year Structural Warranty. In addition, to the extent that Buyer's breach of this provision causes damage to the construction project or harm to Seller, Seller may elect to void other warranties hereunder to the extent of such damage or harm. This provision shall survive Settlement.
- b. Seller shall see that there shall be no lien filed by anyone working under Seller, for work or labor done, or materials furnished in the performance of the work embraced in this Agreement.
- c. Buyer agrees that Seller may show the home while under construction and prior to Settlement of the home.
- d. When trees exist on the premises, Seller may remove or leave any trees or other vegetation on the premises in Seller's sole discretion. Seller will make reasonable effort to avoid damage; however, in no event will Seller be liable for any damage to trees.
- e. Seller will deliver the Home at time of Settlement with up to 30,000 square feet (or the entire homesite, whichever is less) of disturbed homesite area graded and seeded, weather permitting.
- f. Maintenance of the lawn, including watering, reseeding, erosion and washouts after Settlement, is the Buyer's sole responsibility. Seller does not guarantee the quantity or quality of growth of grass.
- g. In the event that Seller encounters sub-par soil that would require costs in excess of those determined by Seller to be commercially reasonable to make the lot buildable, Seller has the right to terminate this agreement.
- h. Subject to paragraph k below, completion of the Home is anticipated according to the buyer timeline in KeyChoices.
- i. All excavation, backfilling and grading will be the responsibility of the Seller. If Buyer requests fill to be hauled onto or from Buyer's homesite, beyond what is needed to obtain a Use &Occupancy permit, this expense shall be an extra to the Buyer.
- j. In the event that the construction of the Home and completion of grading, etc. to the Premises shall be Substantially Complete on the Settlement date, Settlement shall be completed as provided in paragraph 11 of this Agreement. Substantially Complete shall be defined as the issuance of a residential use permit by the local jurisdiction, even if such items as landscaping, exterior concrete (including, but not limited to, footings needed for deck construction), driveways, final grading, and exterior painting may not be completed due to weather conditions. Buyer agrees to sign any waiver that may be required by the local jurisdiction in order to obtain a residential use permit prior to completion of the above listed items. Seller agrees that any such uncompleted

items shall be completed by the next-occurring May 31<sup>st</sup>. Seller further reserves the right to enter the property after Settlement to complete such exterior items, without the prior approval of Buyer and Buyer agrees that there will be no holdback or escrow of any part of the Purchase Price. Any escrows required by the lender will be the Buyer's responsibility. Buyer's occupancy of the Premises shall constitute Buyer acceptance of completion of the terms of this Agreement. The entire balance and/or final installment shall be due and payable in full at completion of Settlement according to Buyer's timeline in Key Choices and prior to such occupancy.

- k. In the event of delays caused beyond the Seller's reasonable control and occurring without its fault or negligence, the time for Settlement (as defined in paragraph 10) shall be extended for a period of time equal to the length of the delay attributable to such cause, and Seller shall not be liable for damages for any such delay or failure to perform. Seller bases its construction on a client schedule in Key Choices (website address: [www.Keystonecustomhome.com](http://www.Keystonecustomhome.com)) called "Buyer timeline" and makes all attempts to meet the Estimated Settlement Date of Buyer's Home. Buyer is provided with this date approximately 30 days prior to final completion. There are instances that upon the scheduled date, due to unforeseen circumstances Seller may not be in receipt of Buyer's final draw payment or occupancy permit. Therefore, Seller strongly suggests that Buyer does not schedule move-in on that same date. Seller will not be held responsible if a delay occurs.
- l. Buyer and Seller shall inspect the Premises and the Home prior to Settlement ("Pre-Settlement Inspection") and shall note, on the Pre-Settlement Inspection Report provided by Seller, those items, which, in Seller's sole discretion, require completion or corrective action pursuant to this Agreement. Seller shall undertake to complete all such items prior to Settlement; however, Settlement shall not be delayed, nor shall funds be held in escrow, if such work is not completed before Settlement.
- m. The Seller reserves the right to enter the Premises for the purpose of adjusting the grading, removal or planting of trees and other landscaping as well as drainage systems on the Premises, the adjacent Premises, or the common areas. In such event, Seller shall regrade and reseed any disturbed area. This provision shall survive Settlement.

## 9) Seller Changes

- a. Seller shall have the right to substitute materials of similar pattern and design and substantially equivalent quality, in Seller's sole discretion
- b. Seller reserves the right to make changes in the Plans and Specifications, for the purposes of mechanical installations, building code and site requirements, reasonable architectural design improvements, brands of products or equipment, vendors and suppliers subsequent to the date of this Agreement.
- c. Location of the home on the homesite, walkways, number of steps, driveways, or the final grading of the Premises is at Seller's sole option and discretion. Final grade, slopes, and elevations will vary depending upon field conditions. Seller does not represent that the final grade will match the topographical plot plan for described homesite due to potential modifications to street and walk elevations and neighboring properties, etc. Seller reserves the right to reverse the plan of the home.
- d. Subject to any architectural guidelines applicable to the subdivision or stated in the Homeowner's Association documents, Seller reserves the right to refine, revise or change the housing types to be sold in any subdivision. Buyer acknowledges that the placement of the homes in specific locations within a subdivision is subject to change, however any resetting shall conform to all applicable zoning and community boundary and setback requirements.
- e. Buyer acknowledges that the location, existence, size and features of tot lots, trails, community entry features and monuments, and recreational facilities within the community (collectively the "Facilities"), if any, are subject to change. No representations as to the location, size, features, or construction schedule of such Facilities are the basis of this agreement.

## 10) Settlement and Delivery

- a. Settlement shall be held at the office of Seller at which time, upon payment in full of the Purchase Price, Seller shall execute and deliver fee simple title to the Premises by special warranty deed to the Buyer conveying the Premises and possession shall be delivered to Buyer ("Settlement"). Formal tender of deed and purchase money are waived.

- b. Settlement shall be held no later than thirty (30) days after Seller provides Buyer with written notice that the construction of the Home is substantially completed, ready for occupancy, and that an Occupancy Permit has been issued by the municipality having jurisdiction over the Premises.
- c. In the event Settlement has not occurred within two (2) years from the date this Agreement has been signed by both Buyer and Seller (the "Outside Delivery Date"), as extended for the period of any delay due to causes outside of the reasonable control of Seller and constituting a lawful excuse for such delay, then Buyer shall have the right to cancel this Agreement by notice thereof to Seller and/or pursue specific performance, damages and any other rights and remedies available to Buyer at law or in equity.

## 11) Closing Costs / Incentives

- a. Buyer shall pay all Closing Costs associated with Settlement, including all recordation fees, except as otherwise provided in paragraph 3(b) above. For purposes of this Agreement, "Closing Costs" are defined as all costs associated with Settlement including, but not limited to, escrow and pro rata items such as tax pro ration and tax escrows, fire insurance premiums, mortgage insurance premiums, mortgage interest, title examination, survey and lender fees, state and local transfer taxes and title insurance costs and policy premiums, costs of deed and document preparation, attorneys' fees, settlement fees, notary fees, mortgage release and messenger fees.
- b. Should Buyer choose providers for Mortgage or Title other than Seller's preferred companies, current incentive indicated below will be reduced by 3%. Buyer agrees to pay all Settlement charges that Seller may incur other than the Seller's portion of the transfer tax, all costs associated with mortgage releases, escrows, and any taxes prorated to Buyer.
- c. Should Buyer select Seller's Preferred Lender for mortgage financing and Seller's Preferred Title Company for title insurance and Settlement, Seller may pay an incentive of \$ **SEE INCENTIVE FORM** (or the actual Closing Costs, whichever is less) at Settlement, to be applied for the benefit of Buyer to the payment of title insurance premium and endorsements, then to the Closing Costs other than pre-paid items such as insurance, HOA fees, loan discount points, buy down fees, or rate lock-in fees. In any event, the total of such costs payable by Seller shall not exceed those amounts allowed by Federal or State financing guidelines. Any Closing Costs paid by Seller shall be subtracted from any incentives or discounts provided by Seller.

## 12) Appraisals

In the process of securing mortgage financing for the purchase of the Premises, Buyer may be asked to provide or to fund an appraisal of the Premises. Appraisals are used by mortgage lenders to determine the amount which the mortgage lender is willing to loan toward the purchase of the appraised property. This appraised value may not be the same as the Purchase Price of the Premises, which includes unique options chosen by the Buyer and which reflects the housing market at the time of the execution of the Agreement of Sale.

An appraisal takes into account many factors, including, but not limited to, the contract Purchase Price, the value it determines of other homes in the geographic area, the price paid in recent sales of similar homes in comparable areas, the perceived marketability of the Premises in the resale market, considering design, location, options, etc., lending underwriting standards adopted by the mortgage lender or imposed by applicable law, and the expected return to be realized in the event of a forced sale of the Premises in a distressed situation after payment of expenses of foreclosure and of resale after forced sale.

The Purchase Price is the price to be paid by Buyer for the Premises, regardless of any appraised value, and is determined by agreement between Seller and Buyer. Seller is not in any way warranting that the Purchase Price will be greater than, equal to, or less than the appraised value as determined by a mortgage lender for loan purposes, and Buyer's obligation to purchase the Premises. The Purchase Price is in no way related to any appraised value of the Premises as determined by any mortgage lender for its purposes, and it is binding upon Buyer, regardless of the results of any appraisal of the Premises by or for a mortgage lender.

## 13) Title

- a. Seller represents that there are no pending eminent domain proceedings and no appropriations by filing of state highway plans in the Recorder's Office affecting the Premises, of which Seller has knowledge; except as set forth below, no portion of the Premises, except within utility reserve strips and developments or as shown on the Plan or within legal limits of highways, is, or at Settlement will be, subject to any currently used easement for any

underground electric or telephone cable or sewer, gas, or water pipe serving other than these Premises, any petroleum products pipeline or sewers or public storm sewer, or any other easement which is not apparent upon reasonable physical inspection; no present use or condition of the Premises violates any enforceable building or use restriction in the chain of title; no assessment for any public improvement has been made against the Premises which remains unpaid, and no work has been commenced on any public improvement being financed on an assessment basis on, adjacent to, or benefiting the Premises, of which Seller has knowledge, and no notice or order has been received by Seller or his agent from any governmental authority requiring the doing of work or correction of conditions on the Premises which has not been complied with. Seller represents, warrants, covenants and agrees that it shall not (i) voluntarily permit any event or occurrence, (ii) take any action, or (iii) fail or refuse to take any action, the failure or refusal of which would result in the imposition of any lien, encumbrance, easement, limitation, covenant, restriction or otherwise affect title to the Premises after the effective date of this Agreement, other than HOA documents and as described in such documents, without written notice to Buyer and the prior written consent of Buyer. Notwithstanding anything herein to the contrary, at Settlement, Seller shall discharge and release any liens, mortgages, deed of trust, or other monetary encumbrances affecting the Premises to be conveyed with the Purchase Price proceeds to be applied at Settlement for this purpose. Seller further warrants that it is the sole owner or equitable owner of the Premises.

- b. At Settlement, title to the Premises shall be good and marketable, insurable as such by a reputable American Land Title Association (ALTA) title insurance company subject, however, to (i) easements, covenants, conditions and restrictions of record, (ii) zoning and other applicable laws and regulations, and (iii) such facts as an accurate survey and personal inspection of the Premises would reflect, provided the same do not render title uninsurable. If title cannot be delivered at Settlement in compliance with this paragraph, and upon receipt of written notice thereof by Buyer, Seller may, but is not obligated to, determine that any title defects are of such character that they may readily be remedied by legal action. In the event Seller determines that such legal steps are a reasonable means to perfect title to the Premises, such actions, if Seller elects to undertake same, must be taken promptly by Seller at Seller's sole expense, in which case the time herein specified for Settlement will be extended for the period of time necessary for such action. If Seller cannot perfect title or is unable to perfect title after taking reasonable legal actions, Seller shall promptly notify Buyer in writing and Buyer shall have the right, at Buyer's option, to either (i) terminate this Agreement by written notice to Seller within ten (10) days after receipt of Seller's notice and receive full refund of all Deposits, or (ii) waive any title defects and proceed to Settlement.
- c. The Premises is sold subject to easements, if any, created or to be created, prior to or after Settlement, for the installation of utilities, storm water management or drainage facilities, street lights and/or additional covenants, encumbrances, restrictions or easements which may be placed on record by the Seller, or the developer of the Premises, before or after execution of this Agreement, for the benefit of the Premises and/or the community of which it is a part. If such easements are required after Settlement, Buyer agrees to cooperate with Seller in executing and delivering any and all documents related to such easements when and as requested. After Settlement, Buyer grants Seller, or its designees, the right to enter upon the Homesite and permission to perform all site work as may be required by local governmental authorities and utilities. This provision shall survive Settlement.
- d. If the Buyer chooses to use the preferred title company, the standard Basic Owner's Policy will be given and the Buyer will have the option to purchase an Enhanced Owner's Policy.
- e. On End Loan mortgage transactions: if Buyer's Title Insurance agent, company or attorney requires a release of subcontractor liens, Buyer shall pay Seller the cost of obtaining the same. Seller's preferred title Company does not require this release

#### 14) Default

- a. Default of any aspect of the Mortgage Contingency renders the Deposit non-refundable.
- b. If the Buyer shall fail to make full and timely Settlement hereunder or shall otherwise breach or default under this Agreement and the default is not cured within 20 days after notice from Seller, the Deposit may be retained by Seller as liquidated damages or on account of actual damages, and not as a penalty, in which event Buyer and Seller shall be relieved from further liability hereunder. Notwithstanding the previous sentence, there is no cure

provision for default of a mortgage contingency. Seller may at its sole judgment seek to obtain a judgment under the obligation of the Promissory Note.

- c. In the event of a breach of this Agreement by Seller despite good faith efforts to perform, Buyer's sole remedy under this Agreement shall be the recovery of the Deposit. **UNLESS OTHERWISE PROHIBITED BY APPLICABLE LAW, IN NO EVENT WILL SELLER BE LIABLE FOR ANY NON-ECONOMIC DAMAGES OR ANY PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR DAMAGES FOR DELAYS AND BUYER HEREBY RELEASES AND WAIVES ANY CLAIMS FOR SUCH DAMAGES. BUYER HEREBY RELEASES AND WAIVES ANY RIGHT TO DEMAND "SPECIFIC PERFORMANCE" BY SELLER OF THIS AGREEMENT.**

## 15) Agricultural Area Information

The Premises may be located within an area where land is used for agricultural production. Buyers and other users of this property may be subjected to inconvenience and discomfort arising from normal and accepted agricultural practices and operations, including but not limited to, noise, odors, dust, the operation of machinery of any kind (including aircraft), the storage, disposal and use of manure, the application of fertilizers, soil amendments, herbicides and pesticides. Buyers and users of this property should be prepared to accept such inconveniences and discomforts from normal agricultural operations and are hereby put on official notice that section 4 of the Pennsylvania law regarding the PROTECTION OF AGRICULTURAL OPERATIONS FROM NUISANCE SUITS AND ORDINANCES, known as the "Right to Farm Act", 3 P.S. §951, *et seq.*, may bar them from obtaining a legal judgment against such normal agricultural operations

## 16) Naturally Occurring Gases

A small percentage of homes in the United States experience elevated levels of radon gas and/or methane gas or other naturally occurring gases. These are naturally occurring gases which rise up and escape from the soil. This phenomenon can occur in any home, regardless of the type of home or who builds it. The Seller claims no expertise in the measurement or reduction of these gases in homes, nor does Seller provide any advice to homeowners as to acceptable levels or possible health hazards of the gases. As to radon, homeowners may wish to obtain a test kit that meets the EPA protocol for measuring the level of radon gas in their homes. EPA publishes a list which provides information on EPA-approved suppliers of such test kits. Buyer agrees that this Agreement is not conditioned upon testing results for naturally occurring gases, or the presence or lack of such gases affecting the Premises. Upon Settlement, Buyer shall be deemed to have accepted the Premises as to the presence of these gases now or in the future and Seller shall be released from any and all claims related to or arising from the presence of naturally occurring gases. Buyers seeking further information should contact the U.S. Environmental Protection Agency or their state environmental protection office. Seller will install preparatory work only for a radon mitigation system. This agreement is not contingent on radon testing.

## 17) Energy Efficiency and Possible Biological Impurities.

Modern homes, including the Premises, are built tightly to slow the escape of warm air in the winter and the escape of cool air in the summer. These tight construction techniques also help reduce the entrance into the home of certain naturally-occurring, organic, often airborne, and often invisible contaminants such as (without limitation) animal dander, dust, dust mites, fungi, all forms of mold, bacteria and pollen (collectively, Biological Impurities"). However, Biological Impurities brought into the home (through the natural circulation of air, generated by or carried into the home by or upon people, animals or things, including building materials) can become trapped and actively grow in the tightly constructed home unless they are affirmatively removed. Whether or not Buyer as a homeowner experience mold growth depends largely on how Buyer manages and maintains the home. Seller's responsibility is limited to things that we can control. As explained in the written warranty, provided by a separate instrument Seller will repair or replace defects in construction (defects defined as a failure to comply with reasonable standards of residential construction) for a period of years equal to the length of the warranty furnished. Seller shall not be responsible for any damages caused by mold, or by some other agent, that may be associated with defects in our construction to include, but not limited to Premises damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other effects. **ANY IMPLIED WARRANTIES, INCLUDING AN IMPLIED WARRANTY OF HABITABILITY, OR AN IMPLIED WARRANTY OF REASONABLE WORKMANSHIP, ARE HEREBY WAIVED AND DISCLAIMED.** Within the home, Biological Impurities can cause allergies or other more serious health effects for the occupants. According to some experts, Biological Impurities cannot be completely eliminated or excluded from residential construction such as the Premises. Notwithstanding the

immediately preceding sentence, it is Buyer's sole responsibility after settlement on the Premises to implement periodic, careful inspections and maintenance procedures in an effort to minimize the existence and effect of Biological Impurities within the Premises. The Seller does not claim any expertise regarding the identification, remediation or possible health consequences of Biological Impurities; if Buyer would like more information, Buyer should contact the U.S. Environmental Protection Agency, state or local authorities. Seller will not be responsible for any damages caused by mold, or by any other agents described above, to include but not limited to Premises damage, personal injury, loss of income, death, emotional distress, loss of use, loss of value, and adverse health effects, or any other effects. **ANY IMPLIED WARRANTIES, INCLUDING AN IMPLIED WARRANTY OF HABITABILITY, OR AN IMPLIED WARRANTY OF REASONABLE WORKMANSHIP, ARE HEREBY WAIVED AND DISCLAIMED.**

## 18) Sink Holes

Sink holes are areas where the surface of the ground subsides or collapses as a result of underground erosion of subsurface rock or soils, principally limestone. If a sink hole occurs where a home or other improvements have been constructed it can cause extensive structural damage, and even result in complete loss. Seller has no actual knowledge of the existence of any sink hole or sink hole risk upon the Premises, but makes no other warranty with regard thereto. Buyer assumes the risk of the occurrence of any sink hole on the Premises after the date of Settlement. Damages resulting from sink holes are not covered by Keystone Custom Homes Twenty Year Limited Warranty; Buyer is advised to purchase sink hole insurance coverage

## 19) Oral Agreements

Unless oral statements or promises are reduced to writing and included in this Agreement, they shall not be binding upon the parties. By including the terms below, the Buyer and Seller are making them part of this Agreement. THIS SECTION SHOULD NOT BE LEFT BLANK IF YOU ARE RELYING ON ANY ORAL STATEMENTS OR PROMISES. This Agreement, with all attachments hereto, all of which are incorporated herein and are made a part hereof, constitute the whole agreement between the parties, and no representation, warranty, or statement made by either party, other than as set forth herein, shall be of any effect. The following oral statements or promises have been made by the Seller, the Seller's agent or the Buyer. Performance of each of these statements or promises is incorporated into each party's obligation to fully perform the terms of this Agreement (if none, so state "None"):

## 20) Brokerage

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

- a. The zoning classification of the Premises **SINGLE FAMILY RESIDENCE**. Unless the Premises is zoned solely or primarily to permit single family dwellings, the failure of the Agreement to contain the zoning classification shall render the Agreement voidable at the option of the Buyer and, if voided, deposits tendered by the Buyer shall be returned to the Buyer without a requirement of court action. Such notice to void this agreement must be exercised within seven days of acceptance of the agreement.
- b. A Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.
- c. Access to a public road may require issuance of a highway occupancy permit from the Department of Transportation. Seller shall arrange for any required highway occupancy permits.
- d. It is expressly understood and agreed between the parties that Seller and any agent, subagent or broker and their licensees involved in the transaction are agents for the Seller, not the Buyer, (unless otherwise disclosed in writing) and that this was disclosed during the initial interview. **No agent of Seller has authority to make any representations, warranties, covenants or agreements in respect to the Premises.** Seller's agent may perform services for Buyer in connection with financing, insurance and document preparation. Upon acceptance of this agreement by both the Buyer and the Seller, payments of Deposit money received by the broker on account of the sale - regardless of the form of payment and the person designated as payee (if payment is made by an instrument) - shall be held by the listing broker in an escrow account pending consummation of the sale or a prior termination thereof. Additional option payments received will be held by Seller and are not refundable.

## **21) Community and School Information**

School district and boundary information may be obtained only by contacting the appropriate County or City School Board.

## **22) Subordination**

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

## **23) Successors and Assigns**

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

## **24) Time of the Essence**

TIME IS OF THE ESSENCE FOR THIS AGREEMENT. This means that the failure to do what is required within the timeframes specified in this Agreement is a breach of the Agreement.

## **25) Picture Release**

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

## **26) Disputes**

Any claims, controversy or disputes arising out of this Agreement or relating to the interpretation of this

Agreement, or any subcontract or sub subcontract, shall be decided by binding arbitration. Arbitration shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association that are in effect at the time of the arbitration. The arbitration shall take place in Lancaster County Pennsylvania. Should any party refuse or neglect to appear or to participate in arbitration proceedings, the arbitrator is empowered to decide the controversy in accordance with whatever evidence is presented. If buyer initiates Arbitration or litigation and fails to prevail on its claims, Seller shall be entitled to an award of attorney's fees and all costs and fees in defending the Buyer's claims. In the event that Seller initiates arbitration regarding a failure of Buyers to make payment in accordance with the payment terms and is awarded any money by the Arbitrator, Buyer shall be liable to Seller for all costs, fees and attorney's fees. Otherwise, all parties shall share the costs of Arbitration equally. Judgment on the award of the arbitrator may be entered in any Court having jurisdiction thereof.

## **27) Cumulative Remedies**

All remedies for which provision is made herein shall be cumulative. Any failure by Seller to exercise any rights hereunder or failure by Seller to take any action as a result of Buyer's default hereunder shall not be construed as a waiver of such default or remedy. Any retention of any sum paid down hereunder may be retained by Seller as either liquidated damages or on account of actual loss or damages, at Seller's election.

## **28) Severability**

The parties hereto have negotiated and prepared the terms of this Agreement in good faith with the intent that each and every one of the terms, covenants and conditions herein be binding upon and inure to the benefit of the respective parties. Accordingly, if any one or more of the terms, provisions, promises, covenants or conditions of this Agreement or the application thereof to any person or circumstance shall be adjudged to any extent invalid, unenforceable, void or voidable for any reasonable whatsoever by a court of competent jurisdiction or an arbitration tribunal, such provision shall be as narrowly construed as possible, and each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement or their application to other persons or circumstances shall not be affected thereby and shall be valid and enforcement to the fullest extent permitted by law. To the extent this Agreement is in violation of applicable law, then the parties agree to negotiate in good faith to amend the Agreement, to the extent possible consistent with its purposes, to conform to law.

## 29) Miscellaneous

All notices and communications under this Agreement shall be in writing and shall be deemed duly given if (i) mailed by registered mail or certified mail, return receipt requested, first class postage prepaid, (ii) delivered by overnight courier, or (iii) sent by facsimile with transmission verification, (iv) supplied by sales manager, (v) emailed with return receipt received, if to Seller to Seller's main office at the address listed on page 1 of this agreement, and if to Buyer to his address given above. The parties shall be responsible for notifying each other of any change of address. This Agreement (including any notices thereof) shall not be recorded. Where the context requires, words in the singular shall be substituted for the plural and vice versa, and words in the masculine shall be substituted by any gender. This Agreement, its formation and enforceability shall be governed by the laws of the Commonwealth of Pennsylvania without regard for conflicts of law principles. Any rules of interpretation wherein this Agreement is constructed against its drafter are waived.

### **For Maryland Buyers only:**

1) *Your home builder has agreed to submit to arbitration any consumer complaint that cannot be resolved through mediation, using the arbitration program provided by the Consumer Protection Division of the Office of the Attorney General. If you are unable to resolve a dispute between you and your home builder, you may file a complaint with the Consumer Protection Division. If mediation is unsuccessful, your complaint will be arbitrated with the program provided by the Consumer Protection Division. Complaints can be filed by writing to the Consumer Protection Division, 200 St. Paul Place, 16<sup>th</sup> Floor, Baltimore, MD 21202, or by filing online at <http://www.marylandattorneygeneral.gov/Pages/Complaints/newhomeconstruction.aspx>. The Consumer Protection Division can also be contacted by calling (410) 528-8662.*

2. *The Buyer has the right to and will be provided a consumer information pamphlet as provided under the Home Builder Registration Act.*

3. *The Home shall be constructed in accordance with all applicable building codes in effect at the time of the construction of the Home. The Seller shall comply with, in the construction of the Home, guidelines adopted at the time of the Agreement by the National Association of Home Builders and these guidelines shall prevail in the performance of the Agreement and any adjudication of a claim arising from the Agreement.*

4. *The Seller's Maryland Home Builder Registration Act registration number is 2937.*

**In witness whereof, the parties hereto have hereunto set their hands and seals the day and year first above written.**

I acknowledge receipt of a copy of this Agreement. I have carefully read and reviewed its terms, and I agree to its provisions.

**Buyer 1 Signature:** |SIGNATURE\_2|

**Date:** |DATESIGNED\_2|

**Buyer 2 Signature:** |SIGNATURE\_3|

**Date:** |DATESIGNED\_3|

|DATESIGNED\_4|

**Seller Signature:** |SIGNATURE\_4|

**Date:**

Dawn Herr, Assistant Vice President

Created on: [NOW] MHBR No. 2937



## **EXHIBIT D**

Stoner Farms, A Planned Community  
2021 OPERATING BUDGET

rev.12-14-20  
SMB

	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
TOTAL LOTS	126	126	126	126	126	126	126	126	126	126	126	126	1,260
TOTAL HOMES P1	42	42	42	42	42	42	42	42	42	42	42	42	420
	1	1	2	4	5	5	6	6	7	8	10	13	130
ANNUAL ASSESS.	4,200			4,200			4,200			4,200			16,800
INITIATION FEES	0	400	400	800	400		400		400	400	800	1,200	5,200
TOTAL INCOME	4,200	400	400	5,000	400	0	4,600	0	400	4,600	800	1,200	22,000

OPERATING EXPENSES

	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
INSURANCE	0	0	0	520	0	0	0	0	0	0	0	0	520
SERVICE	0	0	0	0	100	0	0	0	0	0	0	0	100
MAINT.:LAWN	0	0	250	625	725	625	725	525	625	625	0	0	4,725
MNGMT.COSTS	357	357	357	357	357	357	357	357	357	357	357	357	4,284
PROF.FEES	0	0	0	220	0	0	0	0	0	0	0	0	220
GEN. EXPENSE	25	25	25	25	25	25	25	25	25	25	25	25	300
CAP. RESERVES	100	100	100	100	100	100	100	100	100	100	100	100	1,200
TOTAL EXP.	482	482	732	1,847	1,307	1,107	1,207	1,007	1,107	1,107	482	482	11,349
NET OPT.INC.	3,718	(82)	(332)	3,153	(907)	(1,107)	3,393	(1,007)	(707)	3,493	318	718	10,651
OPER. BAL. :	3,718	3,636	3,304	6,457	5,550	4,443	7,836	6,829	6,122	9,615	9,933	10,651	10,651
INTEREST INC.													0
RES. INCOME	100	100	100	100	100	100	100	100	100	100	100	100	1,200
RES.BALANCE	0	100	200	300	400	500	600	700	800	900	1,000	1,100	\$1,200
Operating:			\$0										\$10,651
Capital Reserves:			\$0										\$1,200

NUMBER OF UNITS P1: 42  
INITIATION FEE AT SETTLEMENT: \$400.00  
Quarterly HOA fee \$100.00

ENDING CASH BALANCES

Operating: \$10,651  
Capital Reserves \$1,200



**EXHIBIT E**

**[no Management Contract at this time]**

**EXHIBIT F**