ARBOR GREENE, A PLANNED COMMUNITY PUBLIC OFFERING STATEMENT

NAME OF PLANNED COMMUNITY:

Arbor Greene

LOCATION OF COMMUNITY:

Townships of North Londonderry and South Londonderry,

Lebanon County, Pennsylvania

NAME OF DECLARANT:

Arbor Greene Partners, LP

ADDRESS OF DECLARANT:

711 Olde Hickory Road, Lancaster, Pennsylvania 17601

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT:

November 1, 2005

IMPORTANT NOTICE

Pursuant to section 5402 of the Pennsylvania Uniform Planned Community Act, as amended (the "Act").

- A. UNDER PENNSYLVANIA LAW, A PURCHASER OF A UNIT WITHIN A PLANNED COMMUNITY IS AFFORDED A FIFTEEN DAY PERIOD AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT OR A MATERIAL AMENDMENT TO A PUBLIC OFFERING STATEMENT, BUT BEFORE CONVEYANCE OF THE UNIT, DURING WHICH HE OR SHE MAY CANCEL WITHOUT PENALTY ANY CONTRACT OF SALE PREVIOUSLY EXECUTED AND OBTAIN A FULL REFUND OF ANY SUMS DEPOSITED IN CONNECTION WITH THE CONTRACT. IF THE PURCHASER SO ELECTS TO CANCEL, HE OR SHE MUST DELIVER NOTICE OF CANCELLATION TO THE DECLARANT BY HAND (IN WHICH CASE EVIDENCE OF RECEIPT SHOULD BE OBTAINED) OR BY POSTAGE PREPAID UNITED STATES MAIL, RETURN RECEIPT REQUESTED.
- B. IF THE DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS THERETO TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT, IN ADDITION TO ANY OTHER RELIEF, AN AMOUNT EQUAL TO FIVE PERCENT (5%) OF THE SALE PRICE OF THE UNIT UP TO A MAXIMUM OF \$2,000 OR PURCHASER'S ACTUAL DAMAGES, WHICHEVER IS GREATER. A MINOR OMISSION OR ERROR IN THE PUBLIC OFFERING STATEMENT, OR ANY AMENDMENT THERETO, WHICH IS NOT WILLFUL, SHALL ENTITLE THE PURCHASER TO RECOVER ACTUAL DAMAGES ONLY.
- C. IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN FIFTEEN DAYS BEFORE SIGNING A CONTRACT OF SALE (OR MORE THAN SEVEN DAYS IN THE CASE OF SALE OF A TIME-SHARE ESTATE), HE

CANNOT CANCEL THE CONTRACT, EXCEPT THAT IN ACCORDANCE WITH PARAGRAPH A, HE SHALL HAVE THE RIGHT TO CANCEL THE CONTRACT BEFORE CONVEYANCE WITHIN FIFTEEN DAYS AFTER RECEIPT OF ANY AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT WOULD HAVE A MATERIAL AND ADVERSE EFFECT ON HIS RIGHTS OR OBLIGATIONS.

INTRODUCTION

Arbor Greene Partners, LP (sometimes called the "Declarant"), is developing a planned community of building lots for construction of residences known as Arbor Greene (sometimes called the "Community"). The Community is the subject of a Declaration recorded November 5, 2003 in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania in Book 2035, Page 844, and "Plat and Plans" (which were recorded as part of the Declaration in Recorder of Deeds' office), showing the initial building lots that were part of the Community. In order to bring phases 2 and 3 into the Community, an Amendment to the Declaration of Arbor Greene, together with the Plat and Plans, was recorded in the office of the Recorder of Deeds for Lebanon County on October 14, 2005 in Book 2070, Page 6872. A reduced copy of the amended Plat and Plans is attached to this Public Offering Statement as Exhibit "A." the Declaration of Arbor Greene, a Planned Community, as amended, is attached to this Public Offering Statement as Exhibit "B" and is referred to simply as the Declaration. The Plat and Plans are referred to in this Public Offering Statement as the "Plat." Each lot that is made part of the Community is sometimes called a "Unit" and sometimes referred to as a "lot." The Units are shown as lots in the Subdivision Plan described below.

Arbor Greene is located on the west side of Campbelltown Road in North Londonderry Township in North Londonderry Township, and, to a very small extent on the west side of Palmyra Road in South Londonderry Township, Lebanon County, Pennsylvania. North Londonderry Township and the Community, border the Borough of Palmyra to the north. Palmyra is accessible from U.S. Route 422 and Pennsylvania Route 117. In addition, U.S. Route 322, with which Route 117 intersects, runs near to both North Londonderry Township and the Borough of Palmyra.

Arbor Greene is also the subject of a subdivision plan approved by both the Township of North Londonderry and the County of Lebanon, phase 1 of which was recorded November 4, 2003 in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania in Subdivision Plan Book 57 Page 68, and phases 2 and 3 of which were recorded September 26, 2005 in Plan Book 61, Page 177 (sometimes referred to in this Public Offering Statement as the "Subdivision Plan"). Arbor Greene is being developed in phases. The first phase included 72 building lots, however two of those lots, numbers 222 and 223, are more naturally a part of a later phase and will not be developable until the phase in which the lots in their immediate vicinity is finally approved. Phases 2 and 3 increased the number of lots to 137. All phases include open areas and storm water management facilities, which are common elements of the Community. The open areas are separate, nonbuildable, lots identified by number in the Subdivision Plan and shown as common elements in the Plat. Although all the land within all the phases will be subjected to the Declaration for Arbor Greene, only those lots or Units within phases 1, 2 and 3 are currently part of the Community. From time to time over the seven year period after the date the Declaration was recorded, the Declarant may create Units (building lots) and common elements within other phases and make them part of the Community. In addition, at any time prior to the expiration of this seven-year period, the Declarant may withdraw those phases in which the Declarant has not formally created Units and remove them from Arbor Greene. There is also a lot, number 10, in Phase 1 out of which the Declarant may create several lots and convert them into Units. If Units are created in all the Phases that are added to the Community and no Units or Phases are withdrawn, and lot 10 is developed to the greatest extent, the maximum number of Units, or building lots, within Arbor Greene will be 226. At this time the Declarant has no intention of renting Units or marketing blocks of Units to investors, but it has entered into an agreement to sell blocks of Units to Berks Construction Co., Inc., doing business as Berks Homes, which intends to construct homes on the Units and to sell them to their customers. In that event either Berks Homes or the Declarant will be conveying the Unit itself to the purchaser.

The land upon which Arbor Greene will be developed is approximately 123 acres in size if Units are created in all the land initially submitted. As shown in the Plat access to the Units and to the common

elements within the Community is provided from Campbelltown Road and through streets within the Community. The Declarant intends to dedicate those streets to the Township of North Londonderry. There will be open space lots as shown in the Plat. Public water and public sewer will be available to all the lots within the Community. For that reason the Community will be subject to easements in favor of the public authorities providing sewer and water service. In addition, the sewer and water lines themselves will be dedicated to those authorities. Some storm water management facilities will be located throughout the Community, including within the open space lots, and easements in favor of North Londonderry Township have been granted for those facilities. Construction of site improvements and Common Elements within phase 1 began in late 2003. Thereafter, site improvements and Common Elements will be constructed in other phases as Units within those phases are created and offered for sale. The Declarant expects the entire Community to be completed within five years, but that, of course will depend upon favorable market conditions.

This Public Offering Statement consists of two parts, a narrative portion and an Exhibit portion. The Exhibits include legal documents which are required for the creation and operation of the Community, and a projected budget for the Community. The narrative portion of the Public Offering Statement is intended to summarize the significant features of the Exhibits and also to present other information of importance to prospective purchasers. If there is any inconsistency between the Exhibits and the narrative, the provisions of the Exhibits will govern.

PLANNED COMMUNITIES IN GENERAL

The term "planned community" refers to a community in which the owners of "units" have an obligation to contribute toward the costs of maintaining certain "common elements" available for use by, or serving, the community. The property within a planned community is of two types--Units and Common Elements. Units are portions of a planned community which are intended to be owned by individuals. In the case of a residential planned community like Arbor Greene, the Units are separate building lots intended for the construction of homes. All the Units will be owned in fee simple absolute. Common Elements are all portions of the planned community which are not included within the Units. The Common Elements of Arbor Greene include open space lots, certain storm water management facilities, and walking paths, and if the Declarant decides to install them, street lights. There will also be one or more identification signs for the Community to be on open space lots. The Common Elements will be owned by an association of the Unit owners, which will be responsible for maintenance and upkeep. Each Unit owner will benefit from the Common Elements, having among other things the right to use the open space for recreation, and will have the obligation to pay an equal share of the normal expenses of operating and maintaining the Common Elements. As an exception to the foregoing rule, Units 222 and 223 will not have an obligation to contribute until Units are created out of the land bordering those Units and added as Convertible Real Estate to the Community.

Each Unit will be taxed separately for real estate tax purposes. No Unit owner is liable for the payment of real estate taxes on any other Unit (except to the extent a Unit is an open space Lot and consequently a Common Element). Similarly, no Unit is subject to the lien of any mortgage on any other Unit.

In some planned communities there are Common Elements that benefit only some of the Units. Those are called Limited Common Elements. In Arbor Greene, there are no Limited Common Elements because all the Common Elements benefit all the Units.

The Declaration is the legal document which created the planned community. The Declaration became effective when it was recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania. The Declaration, together with the Plat, establishes the boundaries of the planned community as a whole, the boundaries of the Units and the Common Elements, and the shares of all Common Element maintenance expenses and owners association costs borne by each unit owner. In addition, the Declaration establishes special property rights, such as easements, within the Community, and use restrictions. In Arbor Greene, Units are intended for residential use and will be restricted to those uses permitted under the local Zoning Ordinance and in accordance with other restrictions described in the Declaration and later in this Public Offering Statement.

BUILDING LOTS AS UNITS CONVERTIBLE REAL ESTATE AND WITHDRAWABLE REAL ESTATE

Each building lot within Arbor Greene is a Unit. Unit boundaries are shown in the Plat. Although all the land comprising Arbor Greene is subject to the Declaration, Units have been and will be created only when phases are added to the Community. Initially, Units were created only in phase 1. Now, Units within phases 2 and 3 have been added. The Declarant plans to add additional phases in the future. From time to time, but not later than seven years after the Declaration was recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania, the Declarant may add phases to the Community in any order. When (but only when) any phase is added to the Community, the Units which are laid out within the phase, as configured at that time, and any Common Elements within the added phase, will become part of the Community and the owners of those added Units will share in the costs of maintaining the Common Elements and the association of Unit owners. At that time the owners of the newly added Units will also have the right to participate in the affairs of the association of Unit owners. Furthermore, when Common Elements within any phase are added to the Community, the costs of maintaining the added Common Elements will be shared by all the Unit owners (with the temporary exception of Units 222 and 223 as explained above). When Units within additional phases are created and formally added to a Community, the real estate out of which the Units (and any related Common Elements) are created is called "Convertible Real Estate." In addition to adding new phases containing Units to the Community, the Declarant has reserved the right to convert Lot 10 into several Units, and thus it is also Convertible Real Estate. If Units are created in all the Convertible Real Estate and added to the Community, the maximum number of Units in the Community will be 226.

In addition to being able to add phases and Units to the Community, the Declarant has reserved the right to withdraw from the effect of the Declaration any phase or land within which Units have not been created and formally added to the Community. The Declarant has also reserved the right to withdraw Lot 10 within phase 1 (as shown in the Subdivision Plan). In all events, however, any phases or lots to be withdrawn by the Declarant must be withdrawn within seven years after the Declaration was recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania. Land containing phases and Units that may be removed from the Community and the effect of the Declaration is called "Withdrawable Real Estate."

COMMON ELEMENTS, SHARE OF EXPENSES, EXPENSES OF OPERATIONS

The Common Elements constitute all of the Community other than the Units, and other than streets and easements within the Community that have been or will be dedicated to municipal bodies. Common Elements within Arbor Greene include open space lots, as shown in the Plat, walking paths, identification signs, street lights (if the Declarant installs them but which he has no obligation to do, and storm water management facilities constructed within the open areas in any phase that is a part of or is added to the Community. If and when additional phases are added to the Community, the Common Elements within those phases will also become part of the Community. The storm water management facilities, the

identification signs and the walking paths must be built by the Declarant, but the street lights need not be built.

All Common Elements will be constructed by the Declarant and conveyed to the association of Unit owners. Then, the association will be responsible for maintaining, repairing, replacing, and regulating the use of all Common Elements. Each Unit owner will bear an equal share of the costs incurred by the association for that purpose, by way of assessments levied by the owners association (except for a temporary exemption of Units 222 and 223 who will receive no benefit until the area of the Community in which they are located is developed). Because each Unit owner will bear an equal share of the costs, an owner's percentage share of such costs will decrease as Units are added to the Community, but the total costs will likely increase because more Common Elements may be added. The share of each Unit owner, expressed as a fraction, will always have as the numerator the number of Units owned by the owner (presumably one) and will have as the denominator the number of Units in the Community at that time (excepting open space lots and temporarily excepting Units 222 and 223). The share allocated to each Unit owner is based solely upon the number of Units in the Community, even though some Units may be larger or smaller than others, because each Unit owner was considered by the Declarant to benefit equally from the Common Elements.

THE DECLARANT

The Declarant, Arbor Greene Developers, LP, is a Pennsylvania limited partnership whose principal offices are located at 711 Olde Hickory Road, Lancaster, Pennsylvania 17601. The general partner of the Declarant is Dana/Glass Properties, Inc., and its president is Michael S. Glass, who will be the Declarant's primary representative in developing Arbor Greene. He can be reached at the offices of the Declarant by mail and by telephone at (717) 569-0484. Dana/Glass Properties, Inc. and Michael S. Glass have extensive experience in developing residential subdivisions, but Arbor Green Partners, LP is a newly formed entity, and consequently has no track record of its own.

GOVERNING DOCUMENTS

1. Declaration

The Community was created when the Declarant recorded the Declaration of Arbor Greene, a Planned Community in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania. It was recorded November 5, 2003 in Book 2035, Page 844. Then, on October 14, 2005, an amendment to the the Declaration was recorded in Book 2070, Page 6872 to bring phases 2 and 3 into the Community. A complete copy of the Declaration is attached to this Public Offering Statement as Exhibit "B." The following, however, summarizes its key features. All references to Articles and Sections refer to Articles and Sections of the Declaration. The Pennsylvania Uniform Planned Community Act applies to the operation and governance of the Community except to the extent permissible contrary provisions are found in the governing documents of the Community, which include the Declaration, the Bylaws of the Unit Owners Association, and the Plat (collectively sometimes called the "Governing Documents"). Therefore, reference to the Act may be helpful in understanding the Governing Documents.

Article I submits the real estate to be developed into Arbor Greene to the planned community form of development. It also identifies the Declarant and gives the name of the Community. Article I describes certain easements affecting the property and defines most of the terms used in the Declaration.

Article II, in section 2.1, describes the share of Common Expenses allocated to each Unit Owner and the number of votes in the Unit owners association that each Unit owner receives. As stated above, each Unit owner bears an equal share of the expenses for maintaining the Common Elements and the Unit owners

association, except for the owners of Units 222 and 223 who will not have to contribute until the area of the Community where their Units are located is developed (these expenses are called "Common Expenses"). Assessments for Common Expenses will be due in advance in quarter-annual installments of the anticipated total annual assessment needed to pay the costs expected to be incurred by the Association in maintaining the Common Elements and in managing the association. Each Unit owner will be entitled to one vote upon matters of the Unit owner's association submitted to a vote of the Unit owners.

Section 2.2 describes the boundaries of the Units, and section 2.3 explains that the Unit owners Association is responsible for maintaining the Common Elements. Each Unit owner is responsible for maintaining his or her Unit and all improvements erected on the Unit.

Section 2.4 limits subdivision of Units to two situations. First, two Units may subdivide and add a portion of another Unit to their respective Units. Second, a Unit may be added, in whole, to another Unit. Both require application to the Unit owners association and its approval and payment of a reasonable fee to cover the association's expenses to amend the Declaration and Plat to the extent required because of the subdivision. Also Lot 10, because of its size, may be subdivided into many Units.

Article III describes the Common Elements. Every portion of the Community that is not within a Unit boundary and that has not been dedicated (as in the case or streets, water lines, and sewer lines) to a municipal body is a Common Element. The Common Elements include open space lots, walking paths, storm water management facilities within open space lots, Community identification signs, and possibly street lights. Improvements that are part of the Common Elements and that are to be constructed within the open area lots will be completed by the Declarant. All Common Elements will be conveyed by the Declarant to the Unit owners association. After conveyance, the Common Elements will be maintained by the association at the expense of the Unit owners, who will be assessed a share of the maintenance costs. All Unit owners and their family members and guests will be permitted to use the Common Elements, provided they comply with rules and regulations adopted from time to time by the Unit owners association.

Article IV grants easements to the Unit owners, the Unit owners association, and the Declarant for access throughout (and use of) the Common Elements. The Declarant also has an easement permitting it to maintain signs identifying the Community, which may be assigned to the Unit owners association. The Unit owners association is also given certain easements within the Common Elements for access in the event repairs are needed. The Unit owners association and the Declarant are also given easements throughout the Common Elements to correct drainage and other problems that might arise. Article IV also grants easements to utilities that are serving the Community for installation and maintenance of pipes, mains, cables, wires, conduits, and lines. Finally, the Declarant reserves easements in favor of any Withdrawable Real Estate that may be withdrawn from the Community for storm water drainage, utilities, and access.

Finally, Section 4.2 of Article IV gives the Unit owners association the right to adopt rules and regulations regarding use of the Common Elements.

Article V permits and describes how the Declaration may be amended, and it protects the rights of certain secured lenders. The Declaration, with some exceptions provided for in section 5219 of the Pennsylvania Uniform Planned community Act may not be amended without approval of at least sixty-seven percent of the votes of the Unit Owners. The approval of certain holders of mortgages on Units or on the Planned community may also be required. The Declarant is given a right to amend the Declaration to correct mistakes, ambiguities, or defects, and to conform the documents to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to planned community

projects. In addition, the Declarant, under the Act, may amend the Declaration and the Plat to reflect the addition of Units within Convertible Real Estate or the withdrawal of Withdrawable Real Estate.

Article VI permits the Declarant to create Units and Common Areas within property submitted to the Declaration, but not initially part of Arbor Greene, and to add them to Arbor Greene. The areas that may be added to the Community in this way are shown in the Plat as Convertible Real Estate. The Declarant's right to add Convertible Real Estate expires seven years after the Declaration was recorded, but the Declarant may do so at any time before that. The maximum number of Units that may be created within the Community is 226.

Article VII permits the Declarant to withdraw from the Community portions of the Property previously submitted to the Declaration. Such portions are called "Withdrawable Real Estate." The Declarant's right to withdraw Withdrawable Real Estate expires seven years after the Declaration was recorded, but the Declarant may do so at any time before that.

Article VIII sets forth use restrictions applicable to the Unit owners with respect to their Units and Common Elements. Units are intended to be residential building lots and use of a Unit is limited to those uses permitted under applicable Zoning Ordinances. In addition there are restrictions relating to fences, outside laundry facilities, parking or storage of tractor trailers, recreation vehicles, vans, trucks, and campers, motorcycles, snow mobiles, ATV's, and inoperable vehicles, storage sheds and auxiliary buildings, signs, keeping of animals, use of units for noxious purposes, antennas and aerials, and occupancy during construction. In addition, all buildings must meet the minimum size requirements and all building plans must be approved by the Declarant. The process for approval is set forth in paragraph 8.1p. Finally there are several restrictions designed to protect sewer and storm water easements by not permitting construction or planting in certain areas. Please see the Declaration for specific prohibitions and requirements and for the method of enforcement.

Article IX states that all mortgages of Units or of the Common Elements are subject to the Declaration.

Article X describes the powers of the Executive Board of the Unit owners association. The Executive Board has most of the same powers and functions of the Board of Directors of a corporation. They have the power to manage the Community, particularly the Common Elements, including adopting budgets, hiring managing agents, establishing assessments against the Unit owners and collecting amounts assessed, granting easements over the Common Elements, and maintaining the Common Elements. The Executive Board may also assist in resolving disputes between Unit owners and in interpreting the Plat, the Declaration, the Bylaws of the association, and rules and regulations governing use of the Common Elements.

Article XI explains that Unit owners will be assessed, in accordance with their shares of the Common Expenses, to pay the costs of operating the Unit owners association and maintaining the Common Elements, as budgeted by the Executive Board. Annual assessment must be paid in quarter-annual installments in advance on the first day of each calendar quarter (but if an installment is not paid the Executive Board may require the balance of the annual assessment to be paid in full). The Executive Board also has authority to make special assessments when necessary to pay for unbudgeted expenses. The Executive Board has the right to enforce payment of all assessments, which under the Act constitute a lien on the assessed Unit. Article XI also requires that the Executive Board annually deliver to each Unit owner an accounting of collected assessments and Common Expenses incurred and imposes the costs of collection of delinquent payments upon the Unit owner.

Article XII lists the rights of holders of permitted mortgages, if requested by them. They include the right to examine the books and records of the Unit owners association and the right to receive copies of budgets and assessments, financial statements of the Unit owners association, notices of meetings of the members of the Unit owners association, notices of amendments to the Declaration, notice of significant damages to the Common Elements and of condemnation of the Common Elements, and notices of decisions of the Executive Board of the Unit owners association to assume management of the Planned community instead of contracting with a managing agent.

Article XIII sets forth special rights of the Declarant. Initially, the Declarant may maintain control of the Executive Board of the Unit owners association. Within sixty days after 25% of the Units have been sold, two of the five members of the Executive Board will be elected by Unit owners other than the Declarant. Within sixty days after 75% of the Units have been sold, or within two years after the Declarant has stopped offering Units for sale, or until seven years after the formation of the Community, which ever is earlier, all members of the Executive Board will resign and a new Executive Board will be elected. The percentage of sold Units will be determined with reference to all the Units that are part of the Community. Thus, as Units are added from Convertible Real Estate, the number of Units necessary to constitute 25% or 75% will increase.

Article XIV describes the duties and limits the liability of officers and members of the Executive Board of the Unit owners association. Officers and members of the Executive Board are fiduciaries and must perform their duties in good faith and in a manner they reasonably believe to be in the best interests of the Unit Owners Association. Article XIV also provides that the Unit owners association will indemnify officers and members of the Executive Board from liabilities and costs they may incur in performing services for the Association and consistent with their duties to the Association.

2. Bylaws

The Bylaws are the rules that govern the Unit Owners Association, which will be incorporated as a Pennsylvania nonprofit corporation. Article I of the Bylaws sets forth introductory matters.

Article II establishes the Unit Owners Association and provides that its purpose is to administer the Planned community, arrange for management of the Planned community, and to establish the means of making and collecting assessments against the Units to fund maintenance of the Planned community, the Unit Owners Association, and the Common Elements. Article II sets forth the time, location, purpose and business to be conducted at meetings of the Unit Owners Association, and it sets forth the required notice, quorum and voting rights of the Unit Owners ad members of the Association. The Bylaws require the Unit Owners Association to conduct meetings at least annually. At the annual meeting, members of the Executive Board will be elected and the members present will conduct such other business as may be required or permitted by law. Each Unit Owner is a member of the Unit Owners Association. Membership terminates when the Unit is sold, in which case the new buyer becomes the member.

In addition to annual meetings, the Executive Board or Unit Owners holding 25% of the votes of the Association may call special meetings. Section 2.4 describes how the Declarant will transfer control of the Association. After 25% of the Units, from time to time, have been sold, 25% (but not less than one) of the members of the Executive Board will resign and replacement(s) will be elected by the Unit owners other than the Declarant. After 50% of the Units, from time to time, have been sold, one-third of the members of the Executive Board will resign and replacement(s) will be elected by the Unit owners other than the Declarant. After 75% of the Units from time to time have been sold, or seven years after the Declarant conveys the first Unit (or two years after the Declarant has stopped offering Units for sale in the ordinary course of business.

which ever is earlier), all the members of the Executive Board will be elected by Unit owners, including the Declarant with respect to any Units owned by the Declarant.

Section 2.7 describes the voting process at meetings of the members of the Unit Owners Association. Each Unit Owner will have one vote for each Unit owned. Section 2.7 also describes how votes are cast when a Unit is owned by more than one person or by an entity. Section 2.8 permits voting by proxy. Section 2.9 establishes a quorum at twenty (20%) percent of the votes of all the members. Section 2.10 explains how meetings are conducted.

Cumulative voting will not be permitted. Cumulative voting allows a member in the election of members of the Executive Board the right to add together all the votes he is entitled to cast for all the Executive Board members standing for election and to cast them for any one or more nominees.

Article III generally deals with the make-up and operation of the Executive Board and sets forth procedures to be followed in the event of the resignation or removal of Executive Board members and the filling of vacancies. The Community will be managed by an Executive Board of five persons, all of whom must be Unit Owners or representatives of entities that own Units. Executive Board Members will serve for terms of three years, except for Members who are required to resign at the time the Declarant turns control of the Association over to the members of the Association.

Section 3.2 of the Bylaws permits the Executive Board to employ a professional managing agent to oversee the daily operation of the Community. Section 3.2 establishes requirements for the terms of any management contract entered into by the Association and specifies the powers that may and may not be delegated to a managing agent.

Article III also provides for the calling and conduct of meetings of the Executive Board, the level of attendance by members required to constitute a quorum, and it permits the Association to enter into contracts with Executive Board Members who may have a conflict of interest with the Association, as long as the terms are fair or the conflict is disclosed.

Article IV of the Bylaws contains provisions governing the election of officers of the Association by the Executive Board and the duties of the officers. The Executive Board annually will elect a president, secretary, treasurer, and any other officers the Executive Board decides to have.

Article V deals with the determination, assessment, and collection of Common Expenses. Unpaid Common Expense assessments are the personal liability of the Unit Owner and will be a lien on Units. The lien ultimately may be enforced by a sheriff's sale. The annual budget is to be presented to the Unit Owners and items are subject to rejection at a special meeting called for that purpose by the vote of a majority of the Unit Owners. A Unit owner's share of Common Expenses will be payable in quarter-annual instalments (January 1, April 1, July 1, and October 1). All Unit owner's shares of common expenses will be equal (except that the owners of Units 222 and 223 will not have to contribute until the area of the Community where their Units are located is developed and added to the Community.

Article VI provides that Unit Owners are liable for the damages caused by them, their tenants, and guests, including increases in insurance premiums the Association may have to pay because of things done by them. Article VI also gives the Executive Board authorization to seek damages and equitable remedies for violations of the Declaration, Bylaws, Rules and Regulations, or the Pennsylvania Uniform Planned Community Act by a Unit Owner.

Article VII addresses amendments of the Bylaws. A majority of the votes of the members of the Unit Owners Association is necessary to amend the Bylaws, except that the Executive Board by itself may adopt amendments that correct or clarify ambiguous, missing, defective, and inconsistent provisions, and provisions that may conflict with the Pennsylvania Uniform Planned Community Act or the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to mortgage loans held by Unit Owners.

A copy of the Bylaws of the Association is attached to this Public Offering Statement as Exhibit "C."

RULES AND REGULATIONS

The Executive Board of the Unit owners association has authority to adopt Rules and Regulations regarding use of the Common Elements. As of the date of this Public Offering Statement no Rules and Regulations have been adopted.

MANAGEMENT AGREEMENT

The Executive Board has the authority to contract with a management company to provide management services to the Unit owners association. As of the date of this Public Offering Statement, no manager has been engaged, however the Declarant does intend to enter into a management agreement at some point.

PURCHASE OF UNITS/INITIAL FEE UPON PURCHASE OF A UNIT

The Declarant intends to offer Units for sale before completing construction of all the streets and site improvements within the phase in which the Units are located. However, all such streets and site improvements, and the improvements to be built within the Common Elements of the phase containing Units that are then part of the Community (including the storm water management facilities, pavilion, open area parking, and playground, but not the maintenance shed), must be built by the Declarant. The purchaser of a Unit may apply for financing from any lender or may pay all cash at settlement.

At settlement, the purchaser of a Unit will be required to pay, in addition to the purchase price of the Unit, the settlement costs which are identified in his purchase agreement. They include, but are not necessarily limited to title insurance premiums, recording fees, half the total realty transfer taxes, and other customary charges and deposits. If a purchaser obtains a mortgage loan, it is likely that the purchaser will have to pay an application fee and other costs relating to the loan that are required by the lender.

In addition, purchasers will be required to make a nonrefundable initial capital contribution to the association of Unit owners equal to the estimated quarter-annual assessment for Common Expenses of his Unit. The general purpose of the contribution is to provide for certain prepaid items (e.g., insurance premiums and organizational, equipment and supply costs). THIS PAYMENT WILL NOT BE CREDITED AS AN ADVANCE PAYMENT OF COMMON EXPENSES.

PURCHASE AGREEMENT

The Declarant expects that it and Berks Homes, which has agreed to buy several Units and to sell them to purchasers, will use the forms of Purchase Agreement attached as Exhibit "D" in selling units, although the Declarant may also use other forms. The example in Exhibit "D" is intended to be used when

the purchaser contracts with a builder to construct a home on the Unit and then to purchase the Unit, with the completed home, at settlement, or when the purchaser agrees to buy a home already constructed by a builder on a Unit. In either case, the builder may already have acquired the right to buy the Unit from the Declarant, in which case he may actually sell the Unit to the purchaser or transfer his right to buy the Unit to his purchaser. THE DECLARANT WILL HAVE NO OBLIGATIONS OR LIABILITIES RELATING IN ANY WAY TO THE HOME CONSTRUCTED ON THE UNIT, AND WILL ONLY BE RESPONSIBLE FOR CONVEYING THE UNITITSELF TO THE PURCHASER. In addition a different form of agreement may be used if the agreement is prepared by a person representing the interests of the buyer. The form of agreement to be used by the Declarant will set forth the various rights, duties, and obligations of the buyer and the Declarant.

Section 1 of the Purchase Agreement identifies the seller and the buyer. Section 2 identifies the property being sold. Section 3 sets forth the purchase price, the terms of payment, the date of settlement, the form of deed to be used at settlement, the treatment of realty transfer taxes, holding of deposits, and the way real estate and other fees will be prorated. It also advises that certain nonrefundable option money paid for options selected by the purchaser from the builder will not be refundable. Section 4 describes the mortgage contingency, if any. Section 5 describes who bears the risk of loss until settlement. Section 6 addresses site planning, conditions, and construction activities dealing with placement of utility lines, excavation, disturbance and restoration of surface conditions, soils, and plantings. Section 7describes when substantial completion will occur and what substantial completion means. Section 8 addresses selections and changes by the buyer in connection with the home being constructed on the Unit. Section 9 describes insulation specifications to be adopted, and Section 10 allows for substitution of comparable building materials. Section 12 imposes on the seller the obligation to clean all interior surfaces, but not exterior surfaces, and section 13 describes what happens in the event of delay and when construction delays are permitted. Section 14 addresses title issues and related costs. Section 15 describes what happens if either the seller or buyer defaults. Section 16 is where the buyer indicates whether he authorizes an affiliate of the seller to order title insurance, and if not requires the buyer to obtain a commitment for title insurance and to deliver a copy to the seller. It also explains what happens if the buyer cannot or does not get title insurance and it makes clear that the buyer is responsible for all title insurance related costs. Section 17 advises the buyer about the warranty given by the seller. Section 18 discuses mold and its risks and prevention. Section 19 indicates that sewer services is going to be provided through a public system. Section 20 obligates the seller to pay a realtor commission. Section 21 lists the attachments to the agreement of sale, one of which is the limited warranty given by the seller; another or which is a notice and disclaimer about mold. Section 22 enumerates the additional documents and disclosures that will be given (or have been given) to the buyer. Section 23 addresses several miscellaneous provisions. Accompanying the agreement are a number of notices explaining purchaser rights and giving other information to purchasers.

The purchase agreement will also have an addendum attached. The addendum will relate specifically to Arbor Greene and the Declarant. This is necessary because it is expected that the purchase agreement will address construction of a home on the Unit by the Seller, and the Declarant will have nothing to do with building the home. The Addendum will set forth the date the purchaser received this Public Offering Statement and it will describe the special fee that must be paid by the purchaser to the Arbor Greene Unit Owners Association. Because the Declarant will not be building homes in the Community, the addendum will make it clear that the Declarant is giving no warranties, nor is it assuming any responsibilities, in connection with any improvements to the Unit, including the home being built. In fact, the addendum also provides that the purchaser is releasing the Declarant from any such responsibility or liability.

The foregoing is a very brief description of the Purchase Agreements the Declarant expects will be used when a home will be constructed, or has been constructed on a Unit. Because sales may occur through

real estate agencies or by persons acquiring lots specifically for re-sale, other forms may, and often will, be used. Buyers are cautioned to read the purchase agreement used in their purchases very carefully and not to rely upon the very summary description of the Purchase Agreement described in this section.

DEPOSITS UNDER PURCHASE AGREEMENTS

Deposits of under the Purchase Agreement of portions of the sales price attributable to sale of the Unit only will be held in an escrow account in accordance with the provisions of Section 5408 of the Pennsylvania Uniform Planned community Act and will be returned to the purchaser without interest if the Purchaser rightfully cancels the Purchase Agreement in accordance with section 5406 of the Act. A home builder may also charge a deposit that may or may not be refundable. Purchasers must carefully review their purchase agreements to the extent they relate to the construction of a home or other improvements on a Unit.

LIENS AND ENCUMBRANCES

The Community will be subject to the normal utility easements for water, sewer, electric and telephone lines. The Community is also subject to storm water drainage easements over and upon land of the Community, including both Units and Common Elements. In addition, the Community will be subject to certain easements created and described in the Declaration and the Pennsylvania Uniform Planned Community Act. Including others described in the Declaration, it is important to note that the easements include:

- (1) Easement to facilitate sales. The Declarant or its designee may use unsold Units in the Community for the erection of models and maintenance of sales offices, and both the Declarant and its designee may place advertising signs within the Community. The Declarant and the unit owners association will also have an easement to maintain an identification signs for the Community upon open space lots.
- (2) Easement for ingress and egress. Each Unit owner has a right of access to the Common Elements, subject to rules, regulations and restrictions established by the Unit owners association.
- (3) Easement to Correct Drainage. The Declarant has reserved an easement over the Common Elements for the purpose of constructing and modifying storm water management facilities within the Common Elements, and for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement 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.
- (4) Easement for Use. Each Unit Owner, their family members and guests, will have an easement of access to use and enjoy, in common with others, the open spaces that are part of the Common Elements, subject to compliance with rules and regulations adopted from time to time by the unit owners association.
- (5) Repair Easements. The Common Elements are subject to easements in favor of the unit owners association and its agents, employees, and independent contractors for inspection, maintenance, repair and replacement of the Common Elements.
- (6) Easements in Favor of Withdrawable Real Estate. If any of the withdrawable real estate is withdrawn from the Community by the Declarant, the Declarant will have easements for storm water drainage, utility easements, and access easements over the Common Elements, and easements of use of storm water drainage facilities within the Community all benefitting the Withdrawable Real Estate and as may be

necessary in order to develop the Withdrawable Real Estate separately from the Community. The Declarant does not anticipate that its reservation of these easements will materially increase the budget of the unit owners association or adversely affect the Community, it being observed, however, that such Withdrawable Real Estate will not contribute toward the Common Expenses and thus will not bear its share of the costs of maintaining the Common Elements, including the facilities utilized by the Withdrawable Real Estate.

The Property comprising the Community is or will be subject to one or more Mortgages securing the loan by which the Declarant acquired the land and made or is making improvements. The Declarant is required by law to obtain a release of the liens for each of these loans on any Unit sold prior to conveyance of the Unit. The Units will be conveyed free of any liens other than those placed on the Planned community Unit by the Purchaser.

RESTRICTIONS ON LEASING OR TRANSFER

There are no restrictions on resale or leasing of Units.

UNIT OWNERS ASSOCIATION

The Unit owners association is the organization responsible for governing the Community. Each Unit owner will have one vote in the Association for each Unit owned. The regular operations of the Unit owners association will be under the direction of a five member Executive Board. The Executive Board may employ a managing agent to act in its behalf in the performance of all duties other than policy making duties, maintaining Association bank accounts and borrowing money. Initially, members of the Executive Board will be appointed by the Declarant. The purpose of the Declarant's retaining control of the Executive Board in the early stages of the Community's existence is to ensure the stability of the association and to administer the Community's affairs until new Unit owners become familiar with the Community. The Declarant may retain control of the Executive Board for seven years following creation of the Planned community or until 75% of the Units are sold and settled, whichever occurs earliest. After 25% of the Units are sold, 25%, but not less than one, of the members of the Executive Board will be elected by the Unit owners other than the Declarant. After termination of the Declarant's control of the Executive Board, members will be elected by the Unit owners, including the Declarant to the extent of Units it owns. The number of Units sold and the percentages will be determined with reference to all the Units in the Community, including those that are added by converting Convertible Real Estate.

The Executive Board elects the officers of the Unit owners Association. The officers are a President, Secretary, Treasurer and any other officers the Board may deem necessary. The President must be a member of the Board.

The Executive Board also enforces the rules and regulations of the Planned community. Among these are rules that govern the external appearance, use and maintenance of the Common Elements.

The operation of the Unit owners association is governed by its Bylaws. In addition to provisions for an Executive Board, Managing Agent and officers as discussed above, the Bylaws provide for annual and special meetings, common expense assessments, insurance, and Common Elements, and numerous other matters affecting the Community.

Please see above the narrative description of the Declaration and Bylaws in the "Governing Documents" section and please review the Declaration and Bylaws, copies of which are attached to this Public Offering Statement as Exhibits "B" and "C."

FINANCIAL MATTERS

Unit Owners will be assessed to obtain the funds necessary to meet the budget of the Unit owners association. The assessments will be made on an annual basis but payment of the assessments will be on a quarter-annual basis. On the first day of each calendar quarter year (January 1, April 1, July 1, October 1) each Unit owner will pay an installment of one-fourth of the amount of the annual assessment in advance.

The amount assessed against each Unit will be based on its share of the Common Expenses. All Units must pay an equal share. Thus, as the number of Units increases, as when Units are added from Convertible Real Estate, the percentage share of each Unit will decrease.

The budget, upon which assessments will be based, will cover all anticipated Common Expenses for the upcoming fiscal year. The budget will also include whatever amount the Executive Board considers necessary as an adequate reserve to provide for unforeseen contingencies, working capital and repair or replacement of Common Elements.

The Declarant has prepared a budget for the ensuing year of the Community. A copy of the budget is attached to this Public Offering Statement as Exhibit "E." The budget figures are, of course, estimates and the Declarant cannot be certain that sufficient funds have been budgeted to cover all Common Expenses that may be incurred. In the event that insufficient funds are budgeted for any given fiscal year, the Executive Board may levy a special assessment to make up the budget deficit. Any special assessment will be payable by Unit owners either in a lump sum or in installments, as the Executive Board determines.

A Unit Owner must pay directly all of the costs of maintenance and repair for his own Unit.

All of the amounts assessed against a Unit give rise to a lien on that Unit. The Unit Owner cannot dispose of his Unit free of the lien until the lien is satisfied by payment of the assessment secured by the lien. The Unit owners association may obtain payment of past due assessments by foreclosure of the lien (resulting in a forced sale of the Unit) or by suing the Unit owner. If any assessments are not timely paid, the Executive Board may accelerate the payments (i.e., declare immediately due and payable the total amount assessed against the Unit owner for that fiscal year but not yet paid).

As mentioned elsewhere in this Public Offering Statement, the owners of Units 222 and 223 will have no obligation to contribute to the Common Expenses, nor will they be assessed, until the portion of the Community where such Units are located is converted into Units.

INSURANCE

The Executive Board will obtain insurance to protect the Unit owners association and the Common Elements. The Executive Board will also maintain appropriate workers' compensation insurance and fidelity coverage to protect against dishonest acts on the part of officers, Executive Board members, trustees and employees of the Unit Owners Association and all others who handle funds of the Unit Owners Association, including any Managing Agent.

Each Unit owner must obtain his own insurance upon his Unit and any residence or other structure built upon the Unit.

TAXES

Real property taxes are levied separately against individual Units and each Unit owner will be responsible for the payment of the taxes on his own Unit. The assessed value of Units is presently unknown since they have not yet been assessed.

GOVERNMENT APPROVALS, AND BUILDING CODES

The Declarant received subdivision approval of its plan to subdivide the Property comprising the Community and the Units from the Township of North Londonderry and from the County of Lebanon. The approved plan for phase 1 was recorded in the Office of the Recorder of Deeds for Lebanon County Pennsylvania in Plan Book 213, Page 137. The approved plan for phases 2 and 3 was recorded September 26, 2005 in Plan Book 61, Page 177. The approved Final plans for subsequent phases added to the Community will be recorded with approved. The Plat as shown in Exhibit "A" is taken largely from the approved Subdivision Plan.

As part of the subdivision approval, the Declarant became committed to construct storm water management facilities, streets, and other site improvements within the phases of the Community for which the Declarant received final subdivision approval, as such phases are finally approved by the municipality. In addition to subdivision approval, the Declarant must obtain or has obtained earth disturbance permit and a highway occupancy permit, neither of which will expire before the related construction is completed. Each Unit owner will be required to obtain a building permit for the buildings he intends to construct upon his Unit. All site improvements to be constructed within any phase of the Community must be built within one year after final governmental approval of that phase, or such later date permitted by the municipalities within which the Community is located. All permits and approvals for construction of site improvements and Common Elements within phases of the Community for which the Declarant has received final subdivision approval have been or will be obtained by the Declarant at its expense.

There are no outstanding and uncured notices of violations of governmental requirements.

WARRANTIES

The Declarant warrants that storm water management facilities constructed by it within the Common Elements will be free from structural defects for a period of one year. No other warranties with respect to the Common Elements or Units are given.

"Structural defects" means those defects in components of the warranted Common Element that require repair, renovation, restoration or replacement and (a) which reduce its stability or safety below accepted standards, or (b) which restricts its normal intended use. These warranties shall not be construed to make Declarant responsible for any items of maintenance relating to the Units or the Common Elements.

EXCEPT AS SET FORTH ABOVE, THE UNITS AND THE COMMON ELEMENTS ARE TO BE SOLD OR, WITH RESPECT TO THE COMMON ELEMENTS, TRANSFERRED, "AS IS" WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR HABITABILITY.

PENDING LITIGATION

As of the date of this Public Offering Statement, the Declarant knows of no litigation, pending or threatened, which could materially adversely affect the community or the Declarant's ability to convey clear title to the Units. There are no judgments against the Unit owners association.

PROPERTY REPORT

The Declarant has no knowledge regarding whether there are hazardous conditions, including contamination affecting the Community site by hazardous substances, hazardous wastes or the like, or the existence of underground storage tanks for petroleum products or other hazardous substances. A phase I environmental site survey was conducted for the property comprising the Community, which did not indicate the presence of any such hazardous substances or underground storage tanks or suggest that any further investigation or action be taken, nor has any governmental body, agency or authority recommended that any action be taken to correct any hazardous conditions. Information regarding environmental conditions that may affect the Planned community can be obtained from:

Pennsylvania Department of Environmental Protection South Central Regional Office 909 Elmerton Avenue Harrisburg, PA 177110 Telephone number: (717) 705-4700

United States Environmental
Protection Agency
1650 Arch Street
Philadelphia, PA 19103
Telephone pumber (800) 438

Telephone number: (800) 438-2474

The Community is located in the Township of North Londonderry (and partially in the Township of South Londonderry) currently zoned for single family residential use.

The Declarant anticipates that construction of the site improvements required under the approved Subdivision Plan for each phase, as from time to time approved, including streets, storm water drainage facilities, sanitary sewer and water mains and lines, and other Common Elements, (all of which other than the street lights must be built by the Declarant) should be substantially completed within one year after final subdivision approval of the phase within which they are located. Construction has already commenced with respect to phases 1, 2 and 3. The Declarant has obtained bank financing commitments for construction of all such improvements from Community Banks. Streets will be dedicated to the Township of North Londonderry and owned by them. Sewer mains and lines will be dedicated to and owned by the North Londonderry Township Authority, and water mains may be owned by either the Unit owner, for that portion of the lines within the Unit, the Association, or the water company providing water service, which has not been finally determined. Some storm water management facilities will be owned and maintained by the Association, and some (being those dedicated to the Township of North Londonderry) will be owned and maintained by the Township of North Londonderry. Storm water management facilities upon any Unit will be owned by the Unit owner, subject to easements in favor of land from which storm water is drained and subject to an obligation by the Unit owner to maintain such facilities.

Because many factors influence and can delay commencement and completion of construction, including weather, availability or labor and materials, and unanticipated site conditions, the dates set forth in this section are estimated only.

All site improvements to be constructed are expected to have useful lives of at least forty years. Because major utility installations will not be owned by the Unit owners association (other than certain storm water management facilities) the cost to replace them will not be borne by the association.

GENERAL INFORMATION

Any information or data regarding the Planned community not presented in this Public Offering Statement or contained in the Exhibits must not be relied upon. No person has been authorized by the Declarant to make any representation not expressly contained herein. This presentation may not be changed or modified orally. The Declarant reserves the right to change the terms of this Public Offering Statement as they affect potential Purchasers not then under contract, provided, however, that any such change shall not affect the substance of the Public Offering Statement with respect to prior Purchasers or Purchasers under contract, nor shall such change affect the Percentage Interests in the Common Elements.

EXHIBITS

Exhibit A Plat

Exhibit B Declaration

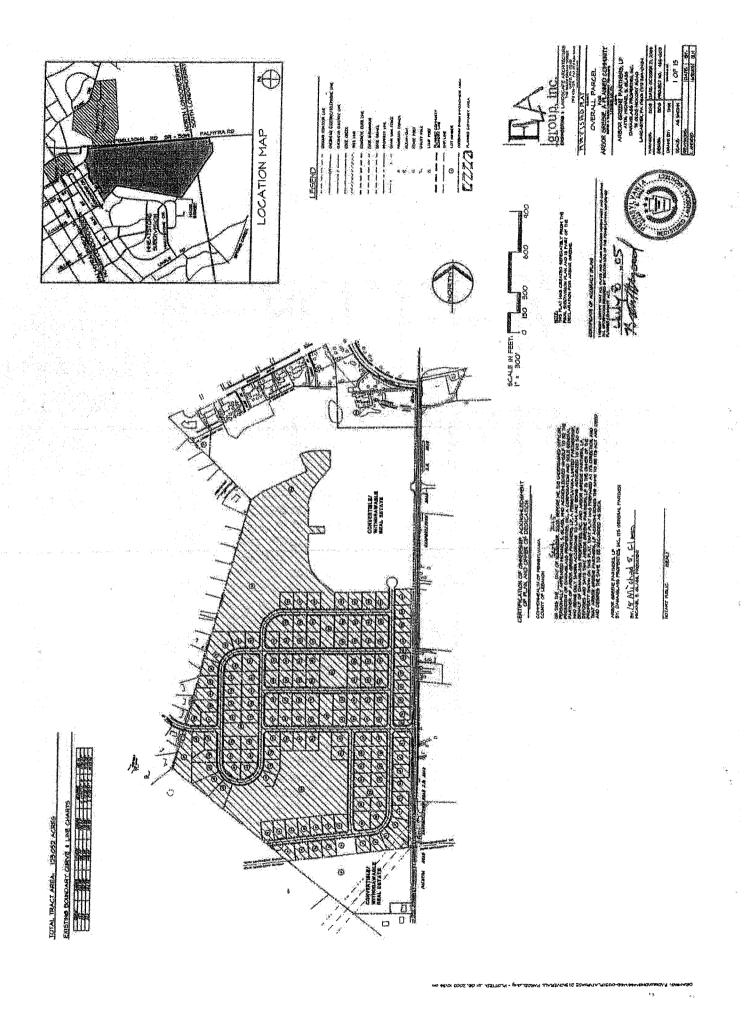
Exhibit C Bylaws of the Unit Owners Association

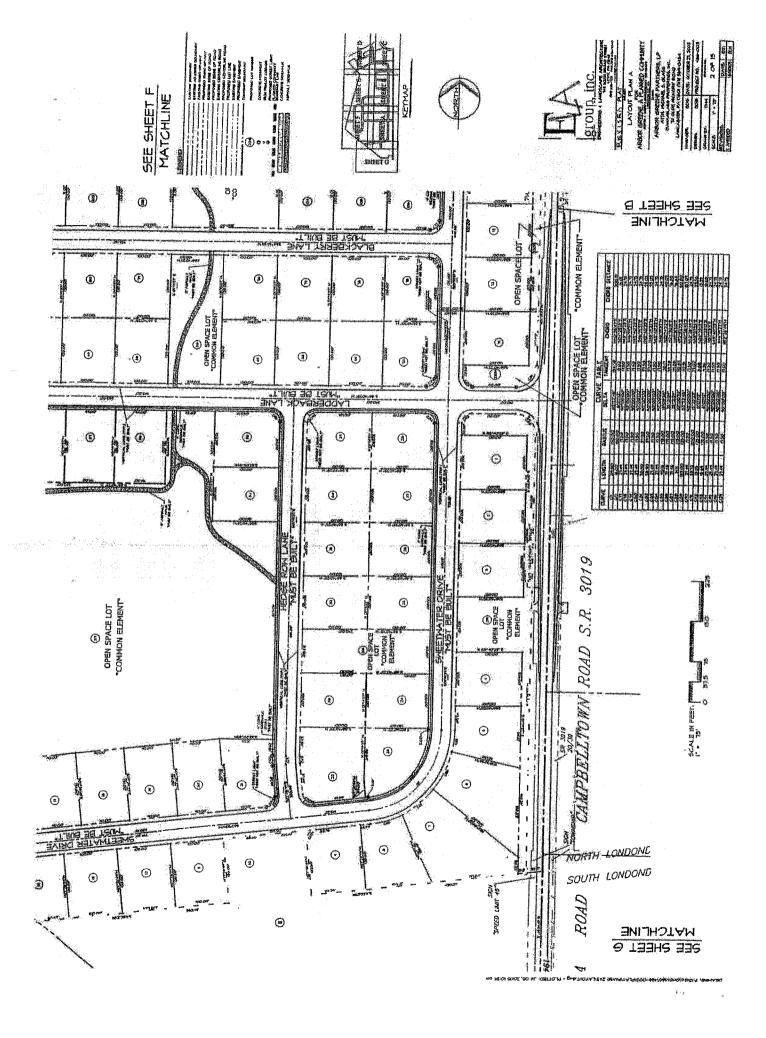
Exhibit D Sample Purchase Agreement for Units

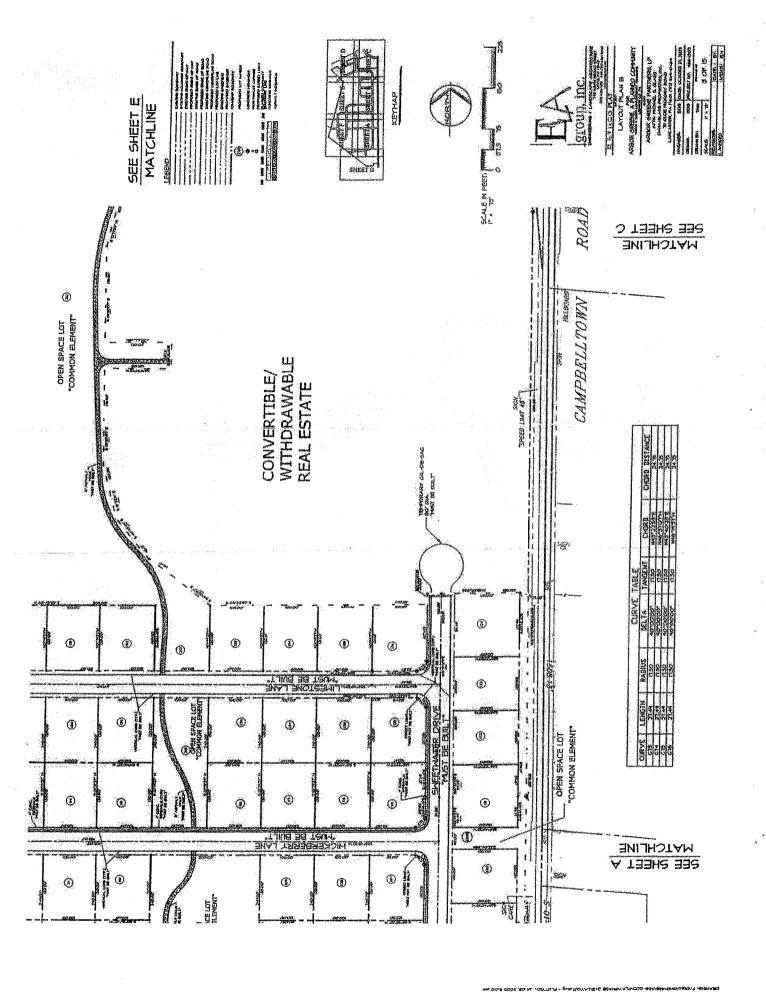
Exhibit E

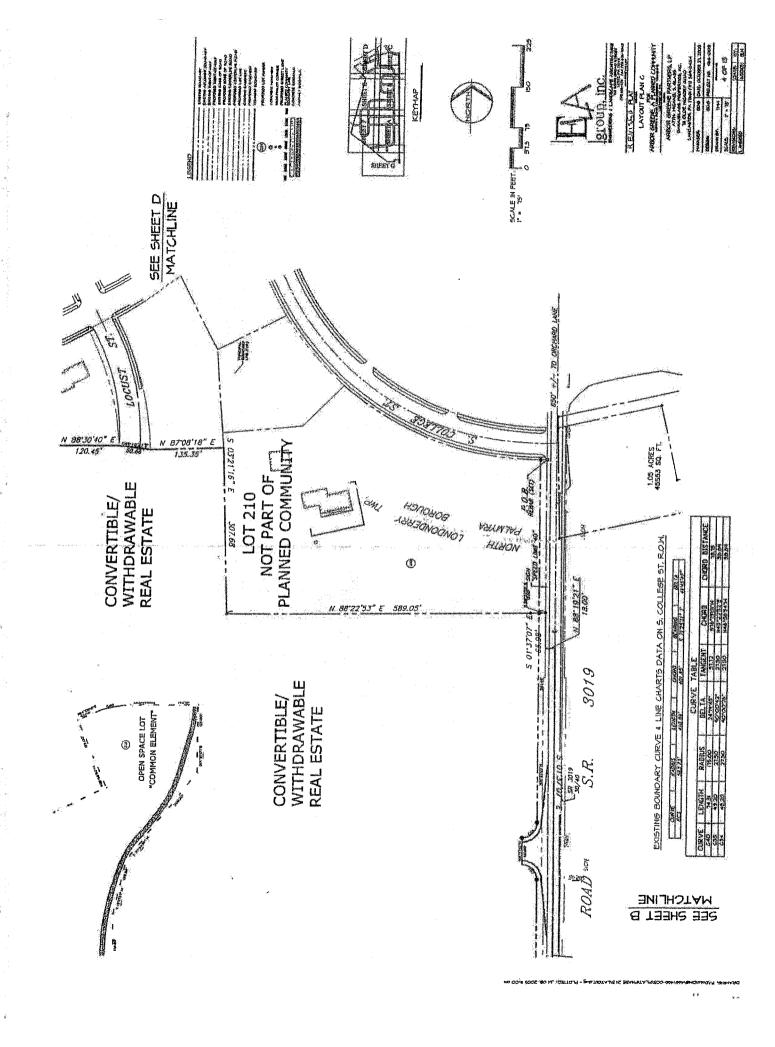
Projected Budget for Unit Owners Association and Projected Assessments against Unit Owners

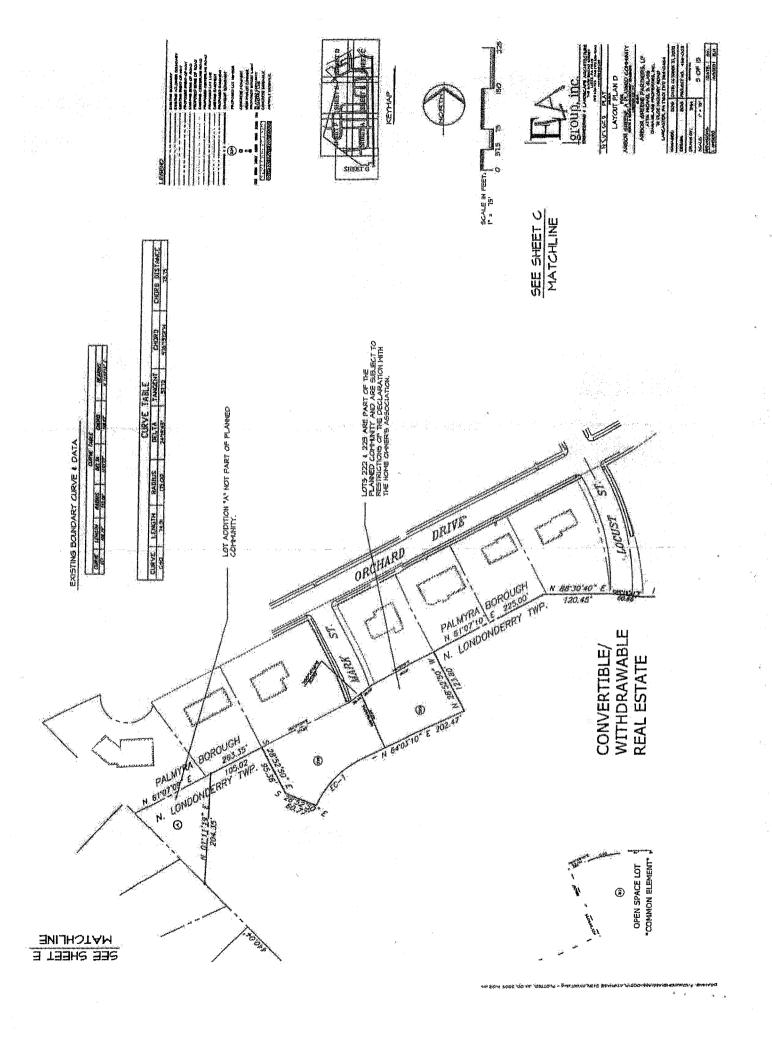
EXHIBIT A

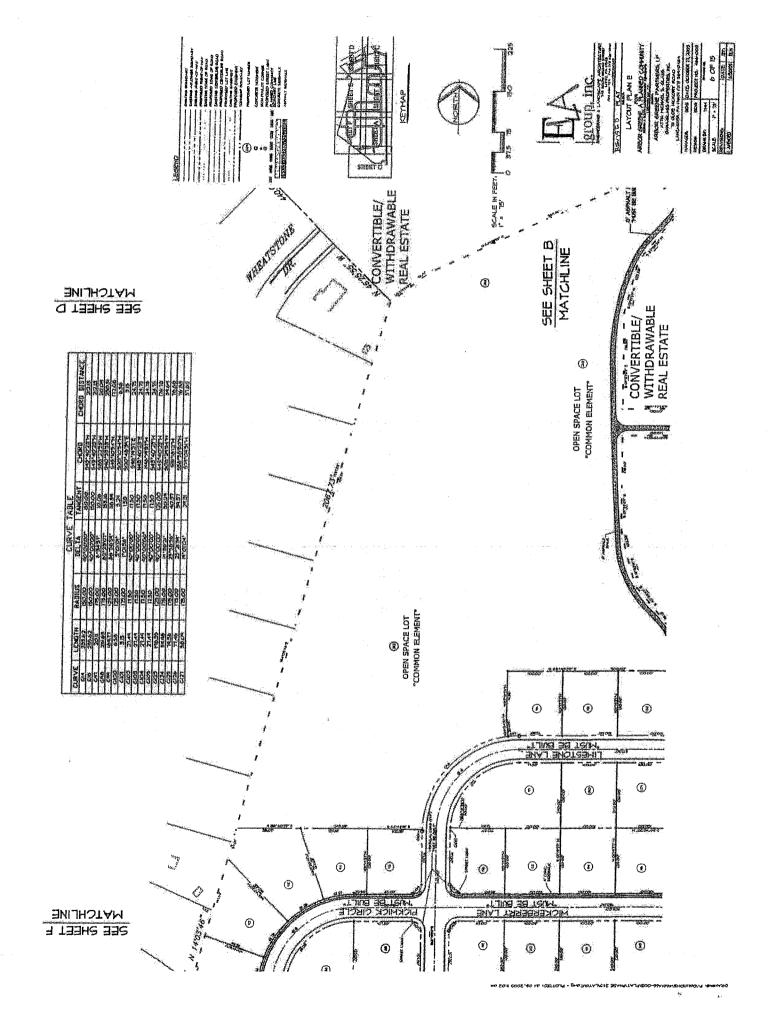


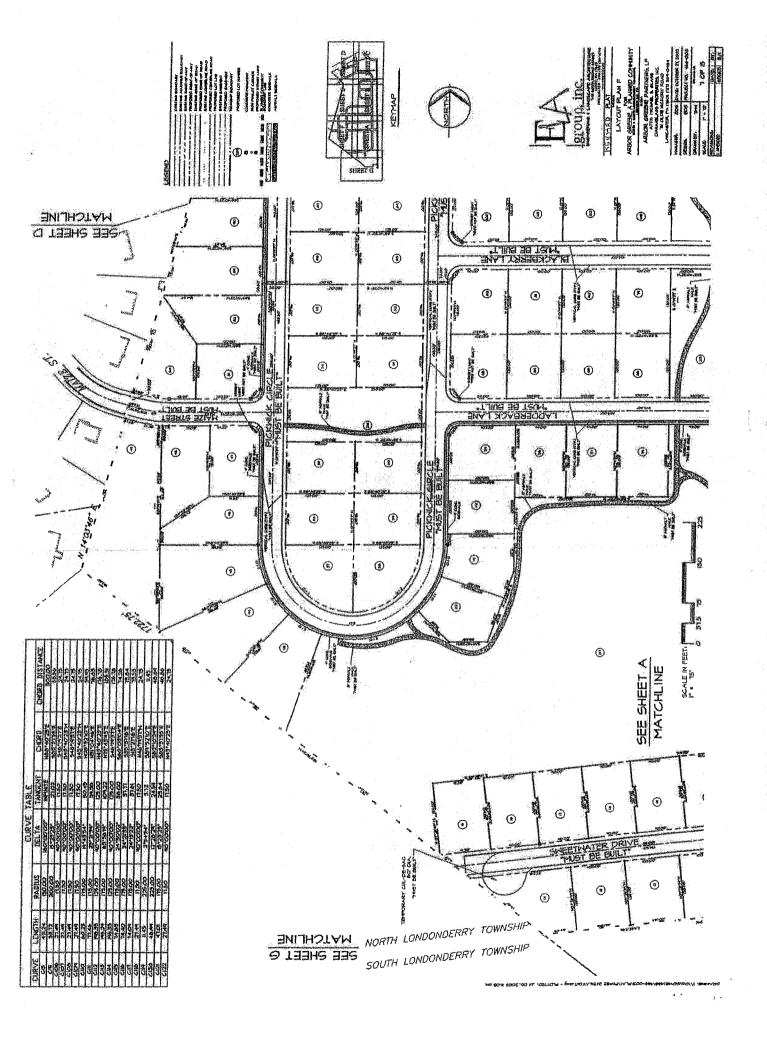


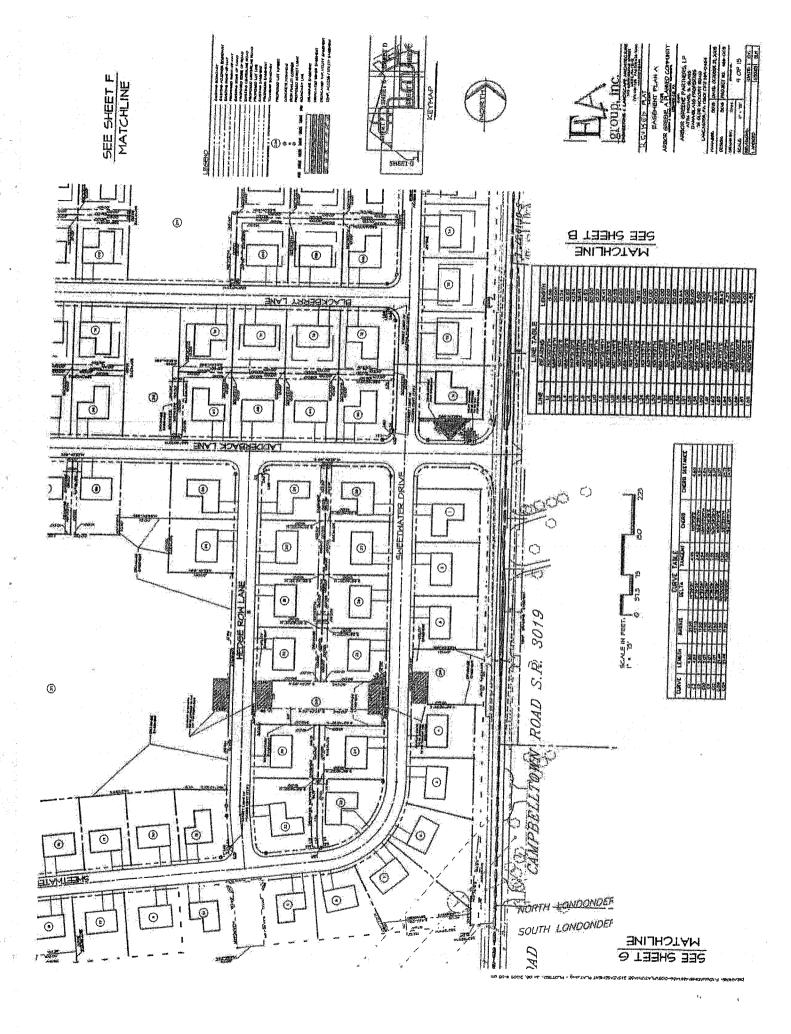


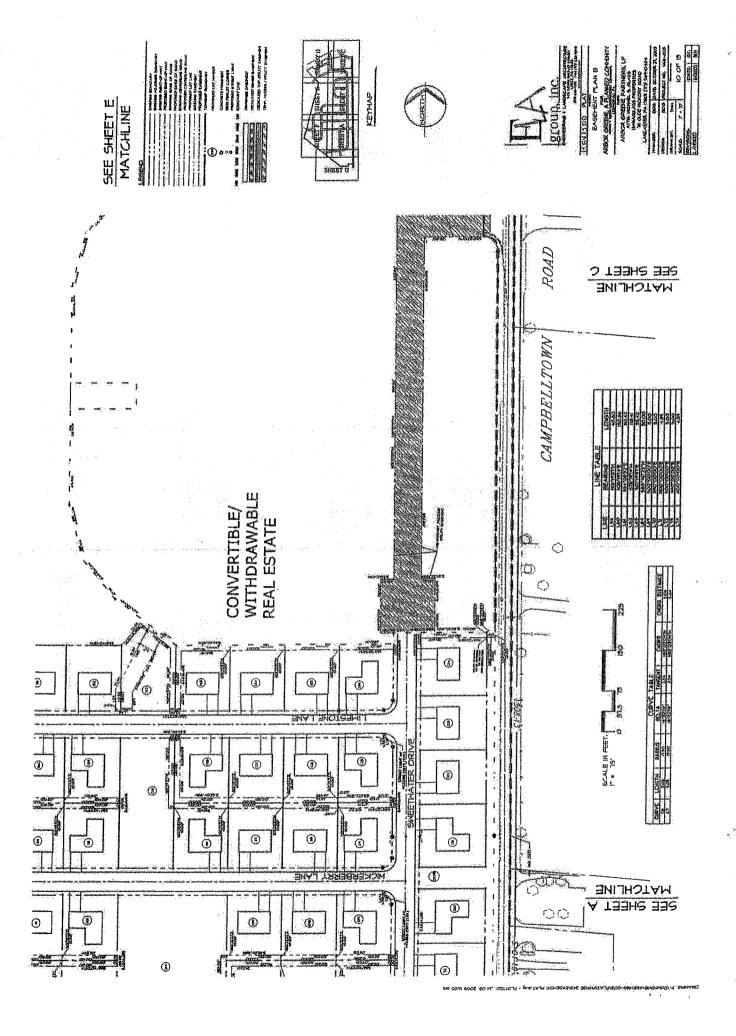


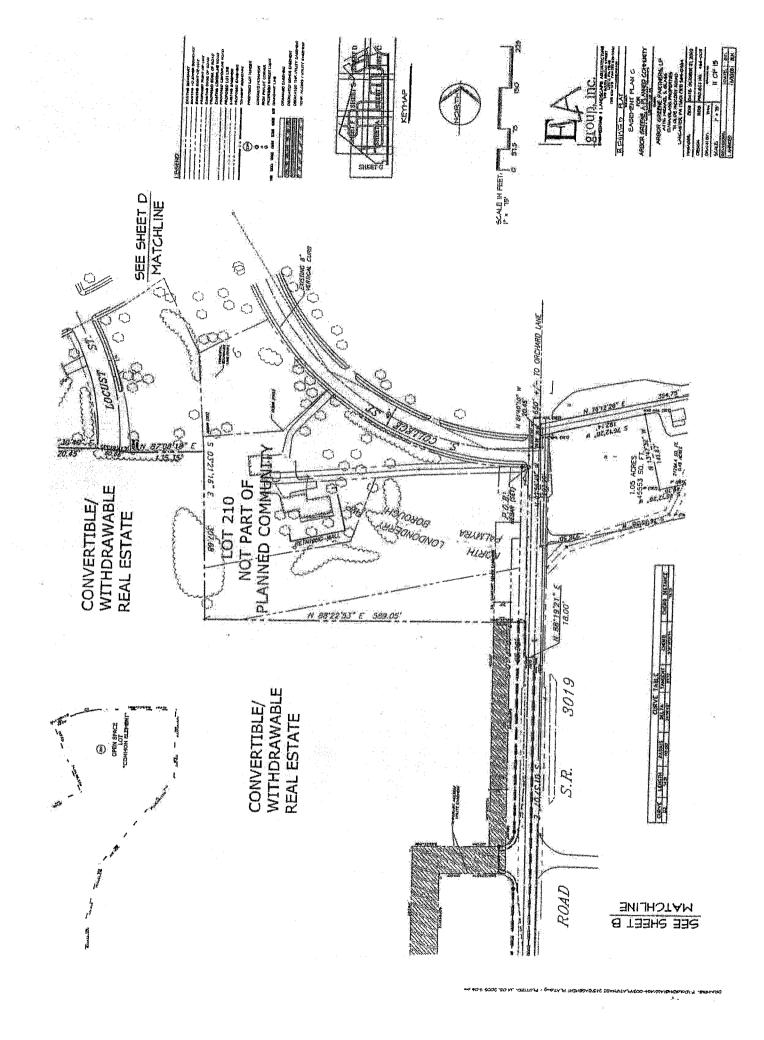


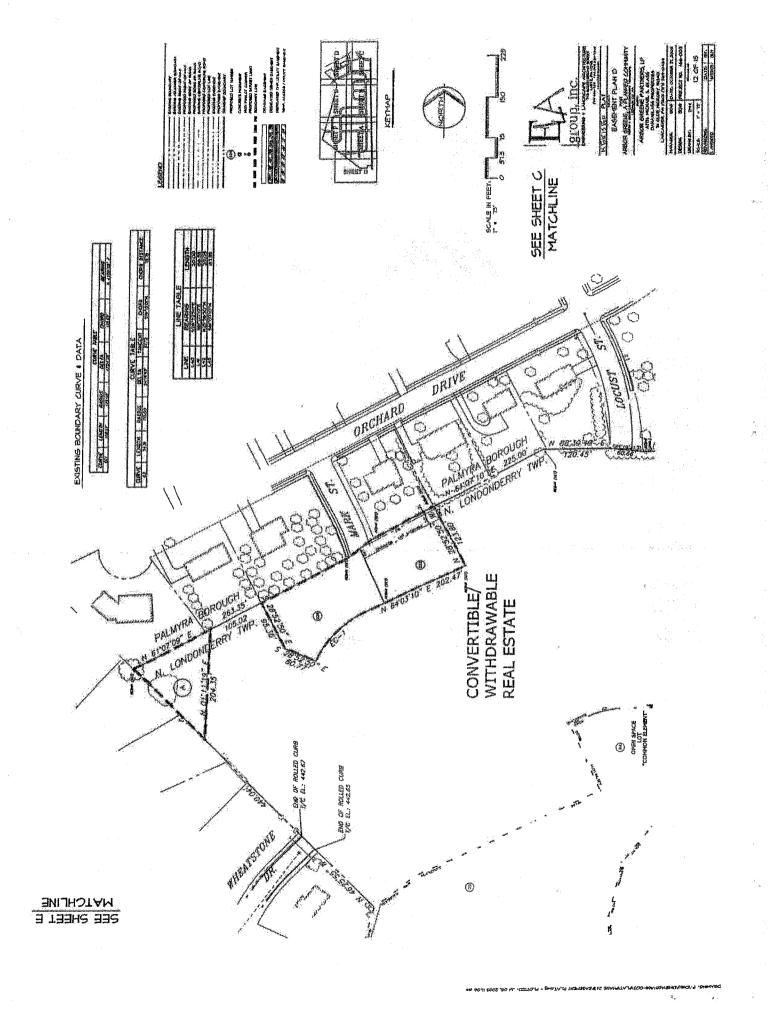


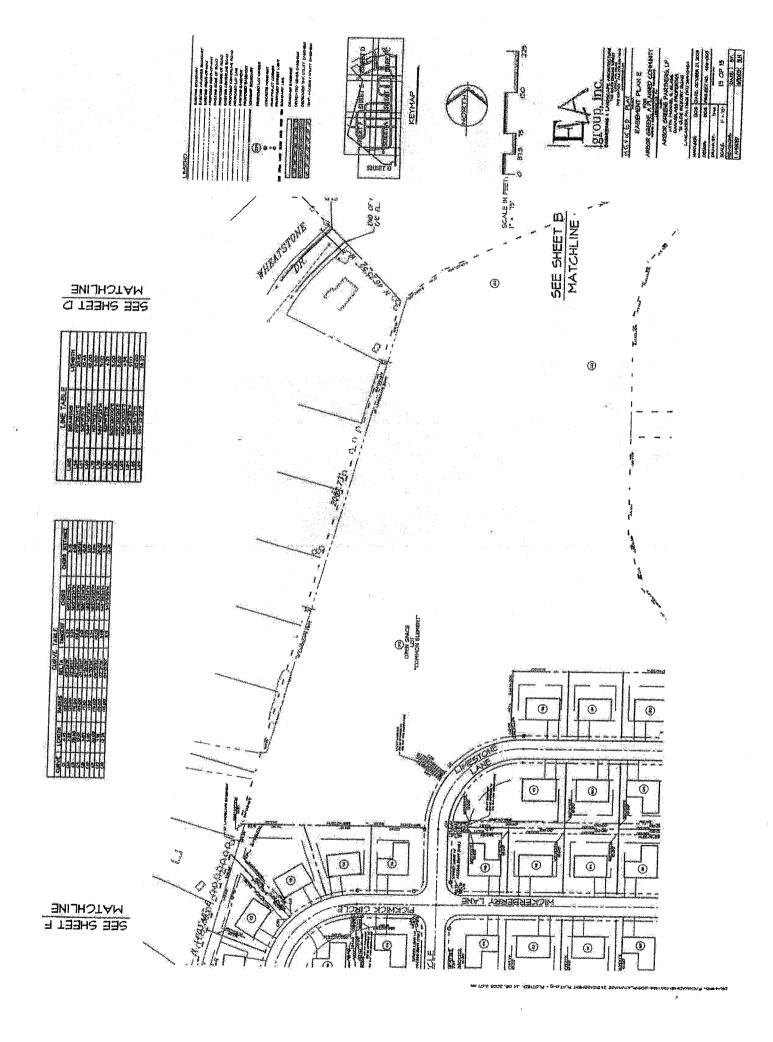


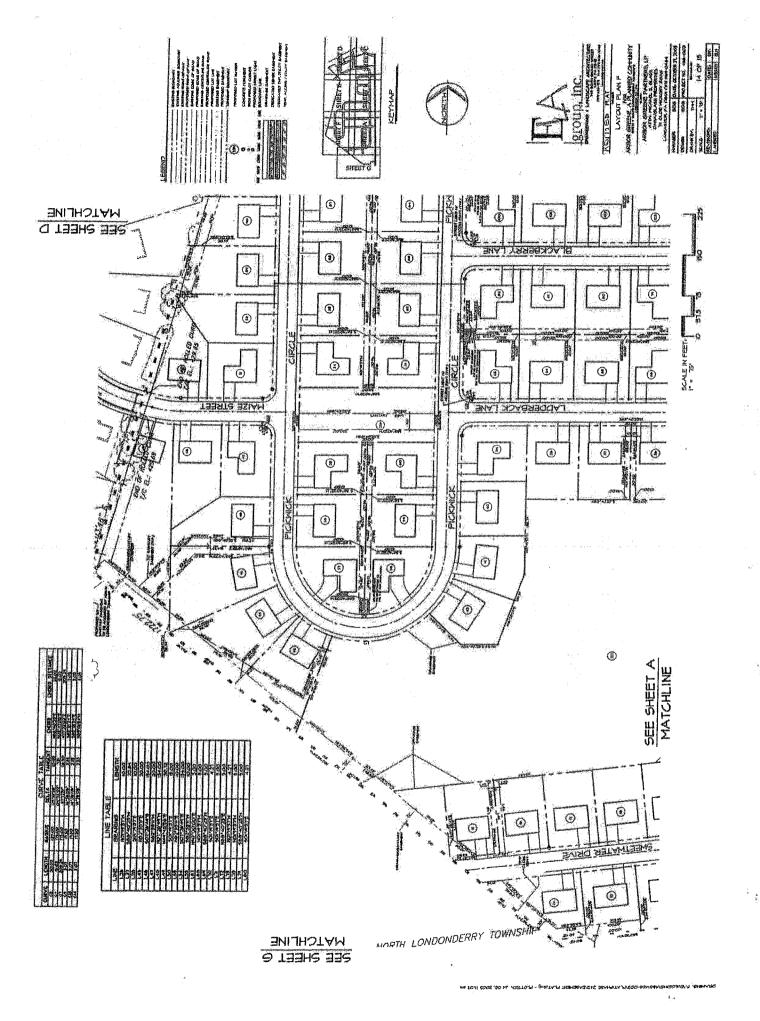












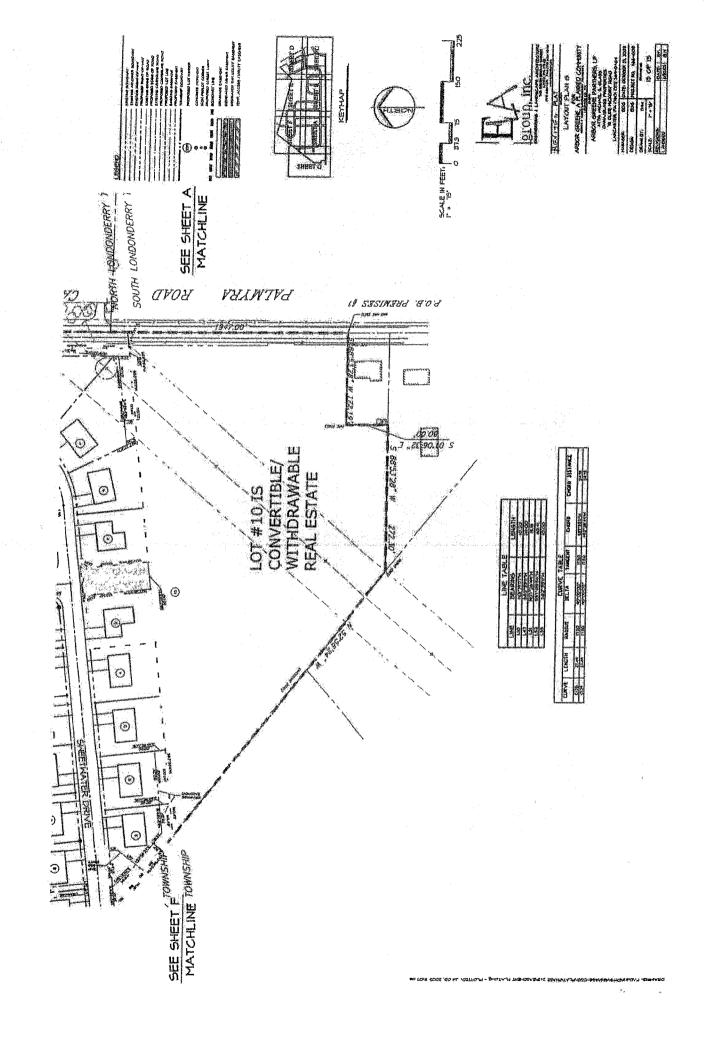


EXHIBIT B



tecorder 10/14/2007 19/15:15: 20/2002 07/2005 20/2005 06/2007 20/2005 06/2005 10/21/2005

AMENDMENT TO DECLARATION OF ARBOR GREENE,

A PLANNED COMMUNITY

Pursuant to the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S. §5101 et. seq., as amended THIS AMENDMENT, made the 29th day of September, 2005, by ARBOR GREENE PARTNERS, LP ("Declarant")

BACKGROUND

On November 5, 2003, Declarant recorded the Declaration of Arbor Greene, a Planned Community, in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania, in Book 2035, Page 844 (the "Declaration") together with an accompanying Plat and Plans. In the Declaration, the Declarant reserved the right to convert certain real property submitted to the restrictions of the Declaration to Units and Common Elements within the Community. By this Amendment, the Declarant will convert the next two phase (Phases 2 and 3) of Arbor Greene.

NOW, THEREFORE, pursuant to sections 5219 and 5211 of the Pennsylvania Uniform Planned Community Act (the "Act"), 68 Pa. C.S. §§ 519, 5211, the Declarant hereby amends the Declaration in order to convert Convertible Real Estate.

- 1. Definitions/Background. The foregoing Background is incorporated herein by reference. Terms used in this Amendment shall have the definitions given in the Declaration, unless a definition is specifically given herein.
- 2. Conversion. Declarant hereby converts into Units and Common Elements so much of the Convertible Real Estate of the Community as is included within Phases 2 and 3 of the Final Subdivision Plan for Arbor Greene, recorded September 26, 2005 in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania in Subdivision Plan Book 61, Page 177 ("Phases 2 & 3"), also shown as Units 72 through 136, and Lots 212, 213, 214, and 220B (all such Lots being Common Elements), together with other identified Common Elements, in the Revised Plat for Arbor Greene recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania with this Amended Declaration, a reduced copy of which is attached hereto as Exhibit 2, (the "Revised Plat"), and also described with more particularity in Exhibit 1-A hereto. All such Convertible Real Estate in such Phases 2 and 3 are submitted subject to such easements for utilities, storm water drainage facilities, sanitary sewer lines, and potable water lines as are shown in the said Subdivision Plan and the Revised Plat for the benefit of all the Units and Lots in Arbor Greene and the Township and to Easement Agreements granted or to be granted by the Declarant to the Township for storm water drainage facilities and sanitary sewer lines and facilities as shown therein.
- 3. *Plat*. The Plat is hereby amended in its entirety as shown in the Revised Plan, which shows all Units, together with identifying numbers, and Common Elements within Arbor Greene.

4. Votes, Common Expense Share, Identifying Numbers. In order to reflect the addition of Units to Arbor Greene, Exhibit 3 to the Declaration is hereby amended to read in full as provided in Exhibit 3 hereto.

IN WITNESS WHEREOF, Arbor Greene Partners, LP has caused its name to be signed to this Amendment by its authorized officer on this 29% day of September, 2005.

ARBOR GREENE PARTNERS, LP

By: Dana/Glass Properties, Inc., its general partner

By:

Tütle: President and Secretary

COMMONWEALTH OF PENNSYLVANIA

: SS.

COUNTY OF LANCASTER

On this, the Aght day of September, 2005, before me, a Notary Public, personally appeared Michael S. Glass, known to me (or satisfactorily proven) and who acknowledged himself to be the president and secretary of Dana/Glass Properties, Inc., a corporation and sole general partner of Arbor Greene Partners, LP, and as such president and secretary, and being authorized so to do, signed the foregoing Declaration in their name and acknowledged the foregoing to be their act and deed and desired the same to be recorded as such.

Witness my hand and notarial seal this 297 day of September, 2005.

Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal
Pameia R. Hostetter, Notary Public
City of Lancaster, Lancaster County
My Commission Expires Sept. 21, 2007

Member, Pennsylvania Association of Notaries

CONSENT AND JOINDER BY MORTGAGEE

The undersigned, SUSQUEHANNA BANK PA, formerly known as FARMERS FIRST BANK ("Mortgagee") being the holder of a Mortgage dated October 27, 2004 and recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania, in Book 2053, Page 4555 (subsequently affected by a release of a portions of the described Property pursuant to Releases recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania) and being the holder of an additional Mortgage dated August 4, 2005 and recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania, in Book 2067, Page 777, both of which encumber the Property submitted to the Declaration, which this instrument amends, as further described in Exhibit 1 to the Declaration and Exhibit 1-A to this Amendment to Declaration, and as holder of any other mortgages that the Mortgagee may now or hereafter hold upon such Property (all such mortgages hereinafter collectively referred to as the "Mortgages"), joins in, consents to, and approves the terms of this Amendment to Declaration of Lincoln's Meadow, a Planned Community (the "Amendment"), and subordinates its rights as Mortgagee thereto.

thereto.	mannent), and subordinates its rights as mortgage
IN WITNESS WHEREOF, the Mortgagee has on this the 4th day of October, 2	s executed this Consent and Joinder by Mortgagee 005.
Attest: Mary Medic	SUSQUEHANNA BANK PA, formerly known as FARMERS FIRST BANK By: 5-74
	Print: Seems J. Cypton
	Title: commercian eran estate por much
COMMONWEALTH OF PENNSYLVANIA : SS.	
COUNTY OF LANCASTER	
acknowledged him/herself to be a Vice President of Selection of Select	BANK, a corporation, and as such the foregoing Declaration in its name and desired the same to be recorded as such.
Witness my hand and notarial seal this	4thay of October, 2005.
COMMONWEALTH OF PENNSYLVANIA Notarial Seal Rebecca A. Ihnat, Notary Public Manheim Twp., Lancaster County My Commission Expires Oct. 14, 2007	Petrus A. veleval Notary Public
Momber. Pennsylvania Association of Notaries	My Commission Expires: 10/14/07

WEBER SURVEYORS, INC.

931 STONY BATTERY ROAD LANDISVILLE, PENNSYLVANIA 17538 PHONE: (717) 898-9466 FAX: (717) 898-9567

Legal Description
Arbor Greene — Phases II & III
Phases II & III (Total)
North Londonderry Township

July 6, 2005

ALL THAT CERTAIN piece, parcel or tract of land situated on the West side line of the Campbelltown Road, S.R. 3019, located in North Londonderry Township, Lebanon County, Pennsylvania, being known as Phases II & III, as shown on a Final Plan of Arbor Greene – Phase II & III, prepared by ELA Group, Incorporated, Drawing No. 1 of 73, recorded in Plan Book 57, Page 68, said tract being more fully bounded and described as follows:

BEGINNING at a point on the West right-of-way line of the Campbelltown Road, S.R. 3019, said point being a corner of Lot 220A, Arbor Greene, Phase I; thence extending along Phase I the eleven (11) following courses and distances: [1] South eighty-eight (88) degrees forty (40) minutes twenty-three (23) seconds West, a distance of one hundred eighty-five and zero hundredths (185.00) feet to a point; [2] South one (01) degree nineteen (19) minutes thirty-seven (37) seconds East, a distance of twenty and zero hundredths (20.00) feet to a point; [3] South eighty-eight (88) degrees forty (40) minutes twenty-three (23) seconds West, a distance of four hundred two and fifty hundredths (402.50) feet to a point; [4] North one (01) degree nineteen (19) minutes thirty-seven (37) seconds West, a distance of one hundred twenty and zero hundredths (120.00) feet to a point; [5] South eighty-eight (88) degrees forty (40) minutes twentythree (23) seconds West, a distance of one hundred and zero hundredths (100.00) feet to a point; [6] South one (01) degree nineteen (19) minutes thirty-seven (37) seconds East, a distance of one hundred twenty and zero hundredths (120.00) feet to a point; [7] South eighty-eight (88) degrees forty (40) minutes twenty-three (23) seconds West, a distance of four hundred two and fifty hundredths (402.50) feet to a point; [8] North one (01) degree nineteen (19) minutes thirty-seven (37) seconds West, a distance of ninety-three and zero hundredths (93.00) feet to a point; [9] South eighty-eight (88) degrees forty (40) minutes twenty-three (23) seconds West, a distance of three hundred fifty and zero hundredths (350.00) feet to a point; [10] South one (01) degree nineteen (19) minutes thirty-seven (37) seconds East, a distance of twenty and fifty hundredths (20.50) feet to a point; and [11] South eighty-eight (88) degrees forty (40) minutes twenty-three (23) seconds West, a distance of one hundred eighty-four and forty-four hundredths (184.44) feet to a point in line of the Wheatstone Subdivision; thence extending along the same [1] North fourteen (14) degrees three (03) minutes forty-six (46) seconds East, a distance of one thousand five hundred thirty-seven and fifty-five hundredths (1537.55) feet to a

Legal Description Arbor Greene – Phases II & III Phases II & III (Total) North Londonderry Township Page 2

point, a corner of remaining lands of Arbor Greene Partners, LP.; thence extending along the same the twenty (20) following courses and distances: [1] North fifty-two (52) degrees thirty-three (33) minutes nineteen (19) seconds East, a distance of ninety-six and forty-one hundredths (96.41) feet to a point; [2] North sixty-four (64) degrees three (03) minutes ten (10) seconds East, a distance of three hundred sixty-seven and eighty-one hundredths (367.81) feet to a point; [3] North twenty-five (25) degrees fifty-six (56) minutes fifty (50) seconds West, a distance of one hundred thirty-five and zero hundredths (135.00) feet to a point; [4] North sixty-four (64) degrees three (030 minutes ten (10) seconds East, a distance of thirty-two and six hundredths (32.06) feet to a point; [5] on a line curving to the right having a radius of one hundred seventy-five and zero hundredths (175.00) feet, an arc length of seventy-four and thirty-one hundredths (74.31) feet, a chord bearing of North seventy-six (76) degrees thirteen (13) minutes one (01) second East, and a chord distance of seventy-three and seventy-five hundredths (73.75) feet to a point; [6] North eighty-eight (88) degrees twenty-two (22) minutes fifty-three (53) seconds East, a distance of one hundred twenty-four and seventy-seven hundredths (124.77) feet to a point; [7] South one (01) degree thirty-seven (37) minutes seven (07) seconds East, a distance of one hundred twenty-five and zero hundredths (125.00) feet to a point: [8] South thirty-seven (37) degrees thirty-nine (39) minutes thirty-six (36) seconds West, a distance of two hundred six and twenty hundredths (206.20) feet to a point; [9] South twelve (12) degrees seventeen (17) minutes fifty-seven (57) seconds West, a distance of one hundred two and thirty-eight hundredths (102.38) feet to a point; [10] South one (01) degree thirty-seven (37) minutes seven (07) seconds East, a distance of one hundred seventy-eight and fifty hundredths (178.50) feet to a point; [11] North eighty-eight (88) degrees twenty-two (22) minutes fifty-three (53) seconds East, a distance of one hundred twenty and zero hundredths (120.00) feet to a point; [12] South one (01) degree thirty-seven (37) minutes seven (07) seconds East, a distance of fortyseven and eighty-five hundredths (47.85) feet to a point; [13] South eighty-eight (88) degrees twenty-two (22) minutes fifty-three (53) seconds West, a distance of one hundred twenty and zero hundredths (120.00) feet to a point; [14] South one (01) degree thirtyseven (37) minutes seven (07) seconds East, a distance of one hundred seventy-eight and fifty hundredths (178.50) feet to a point; [15] South fifteen (15) degrees thirty-two (32) minutes eleven (11) seconds East, a distance of one hundred two and thirty-eight hundredths (102,38) feet to a point; [16] South forty (40) degrees fifty-three (53) minutes forty-nine (49) seconds East, a distance of ninety-five and twelve hundredths (95.12) feet to a point; [17] South fifty-four (54) degrees five (05) minutes thirty-two (32) seconds East, a distance of one hundred forty-one and seventeen hundredths (141.17) feet to a point; [18] North eighty-eight (88) degrees twenty-two (22) minutes fifty-three (53) seconds East, a distance of four hundred and sixty-nine hundredths (400.69) feet to a point; [19] North one (01) degree thirty-seven (37) minutes seven (07) seconds West, a Legal Description

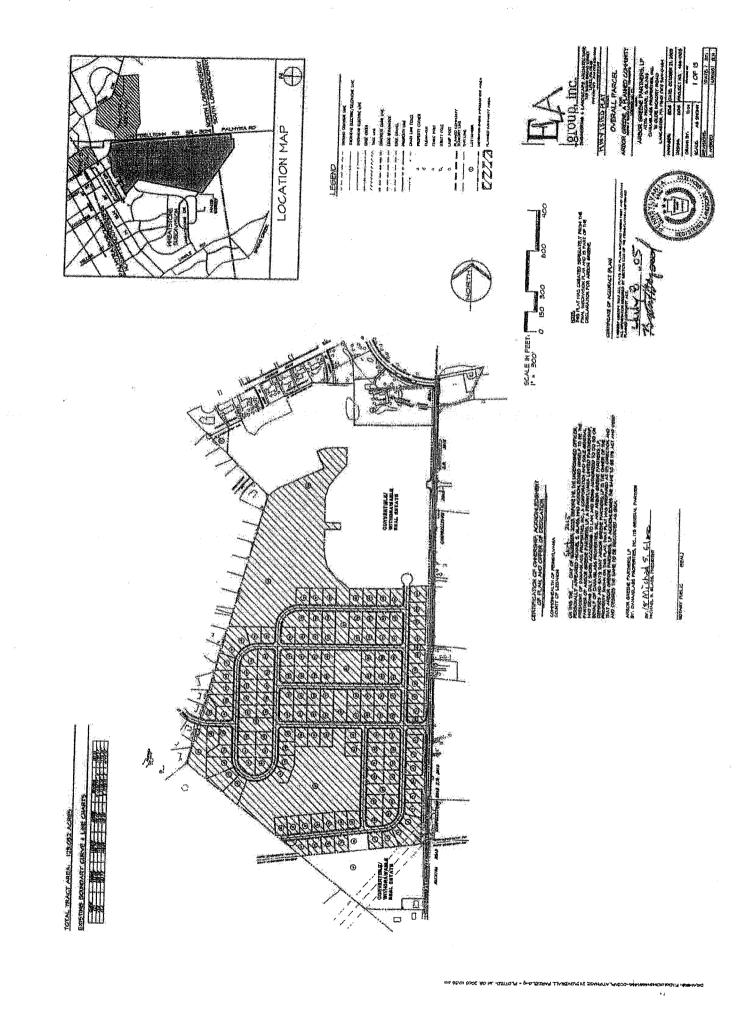
Arbor Greene – Phases II & III Phases II & III (Total) North Londonderry Township Page 3

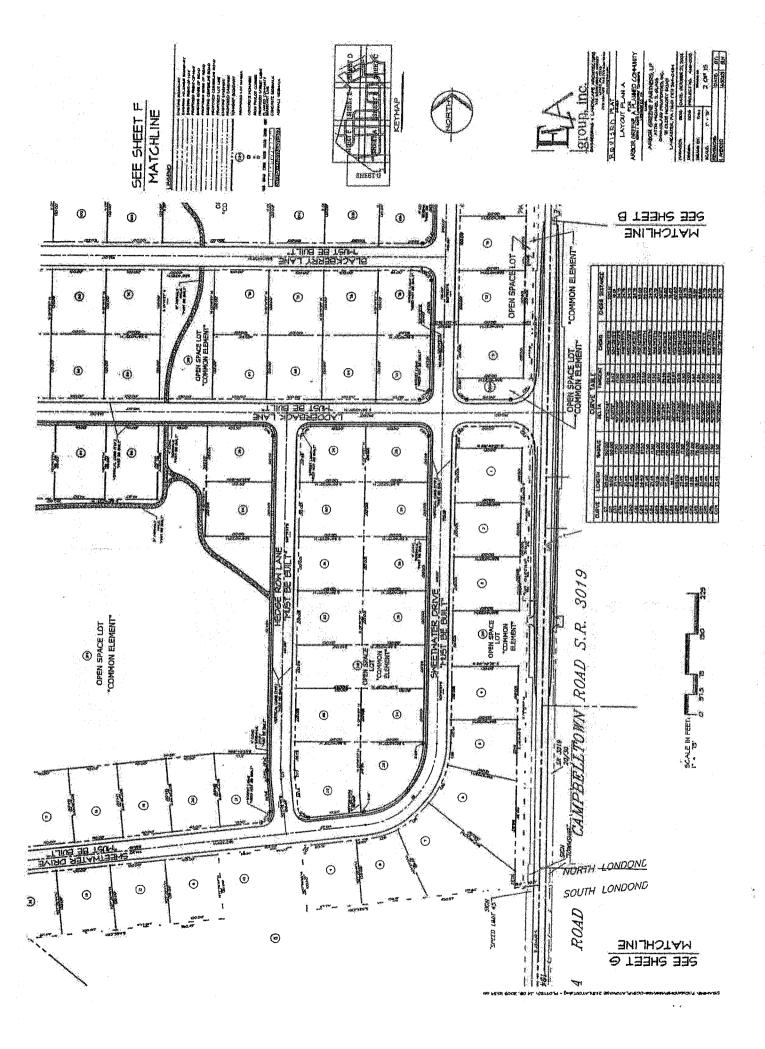
distance of twenty and zero hundredths (20.00) feet to a point; and [20] North eighty-eight (88) degrees twenty-two (22) minutes fifty-three (53) seconds East, a distance of one hundred eighty-five and zero hundredths (185.00) feet to a point on the West right-of-way line of Campbelltown Road, S.R. 3019; thence extending along the same the two (02) following courses and distances: [1] South one (01) degree thirty-seven (37) minutes seven (07) seconds East, a distance of three hundred seventy-six and twenty hundredths (376.20) feet to a point; and [2] South one (01) degree nineteen (19) minutes thirty-seven (37) seconds East, a distance of four hundred ninety-six and seventy-nine hundredths (496.79) feet to the place of BEGINNING.

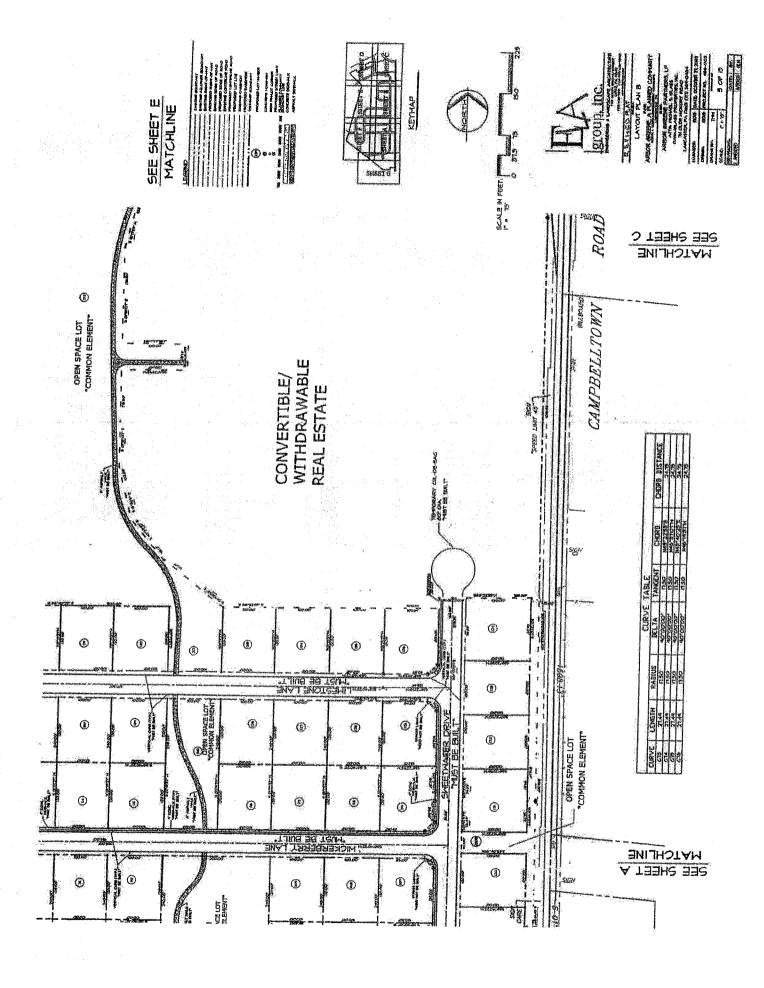
the factor was applied to be a comment

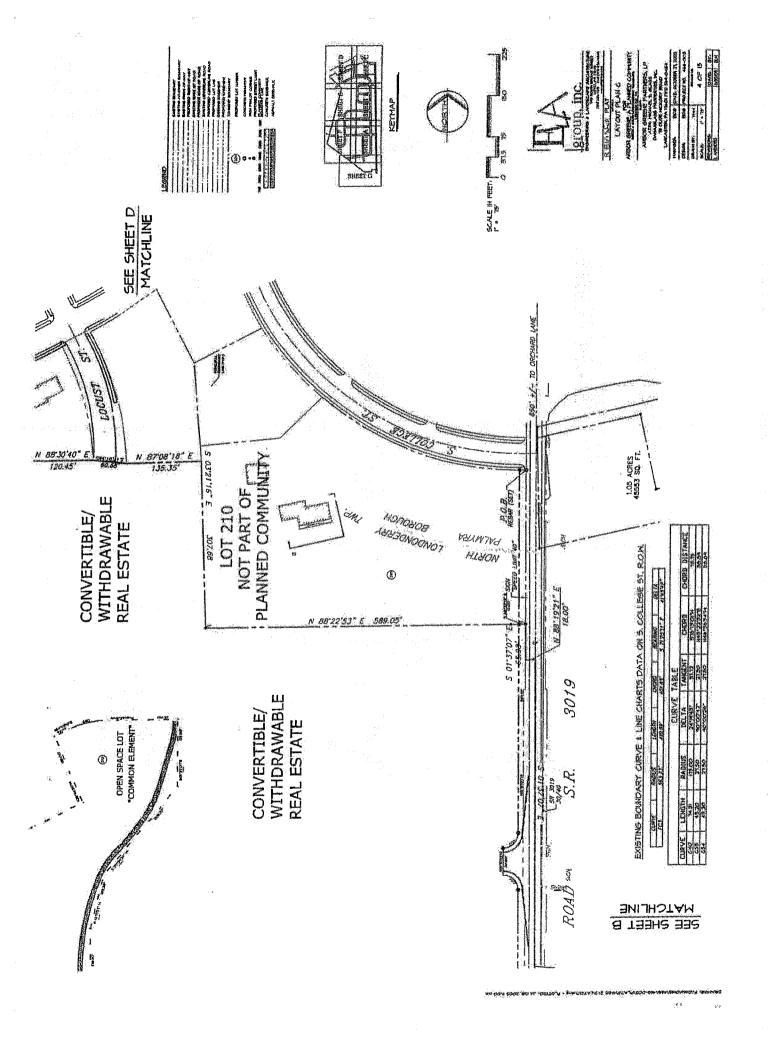
Containing 39.9943 Acres

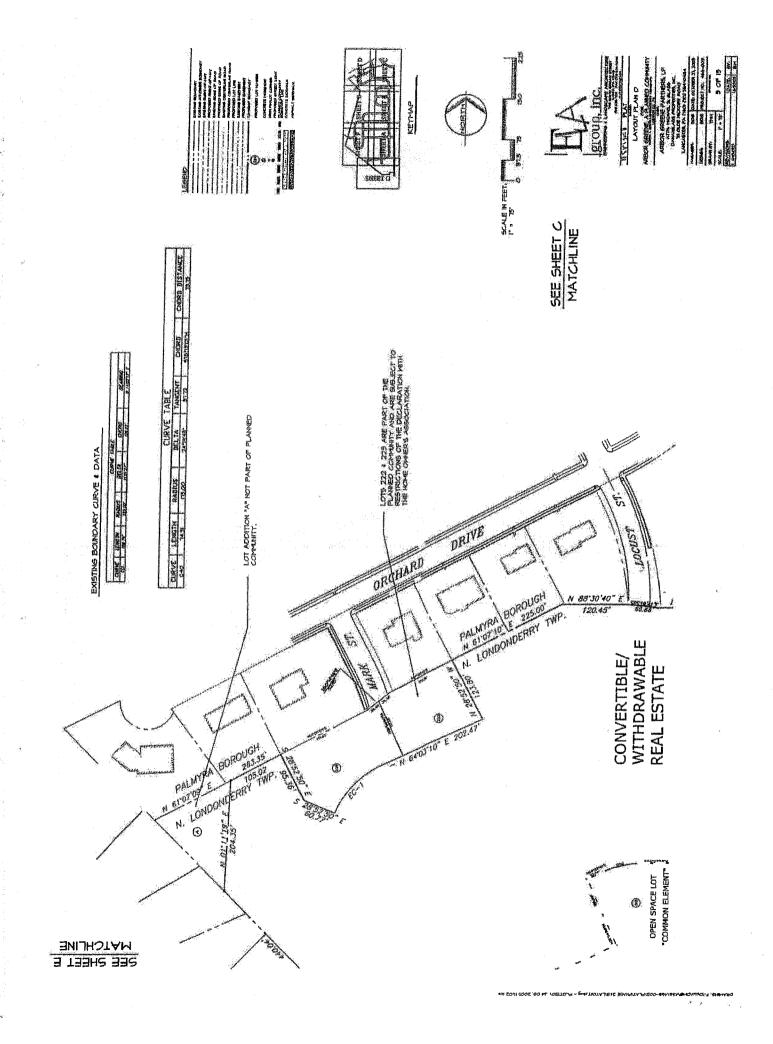
EXHIBIT 2 REVISED PLAT

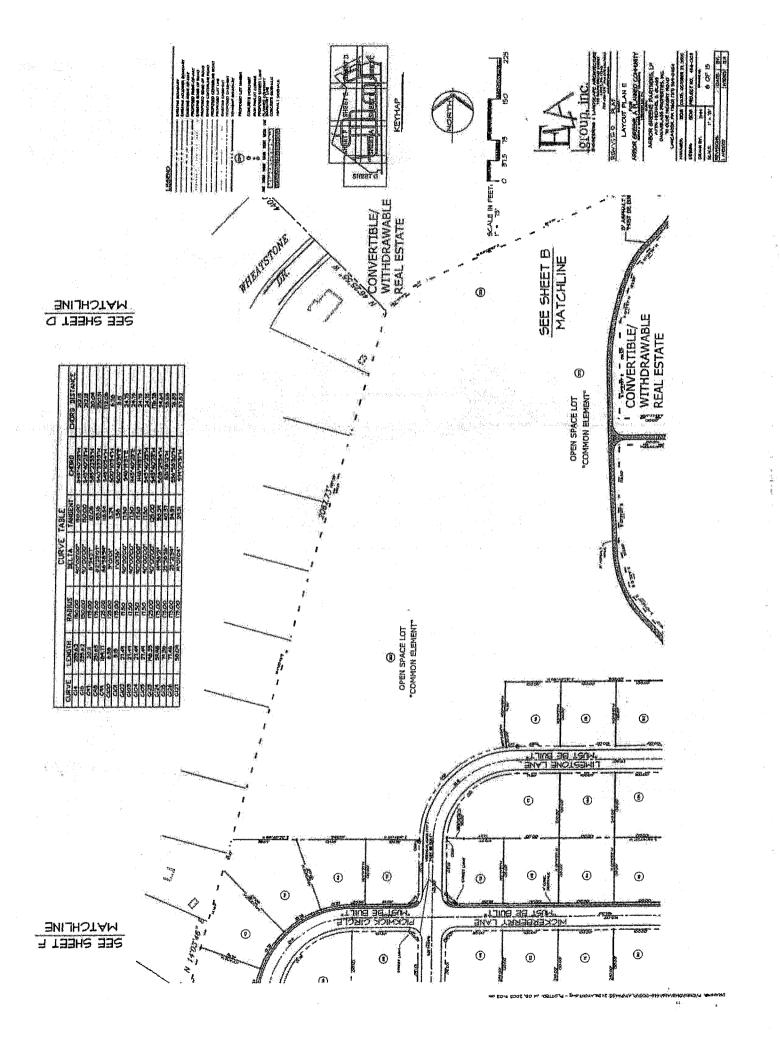


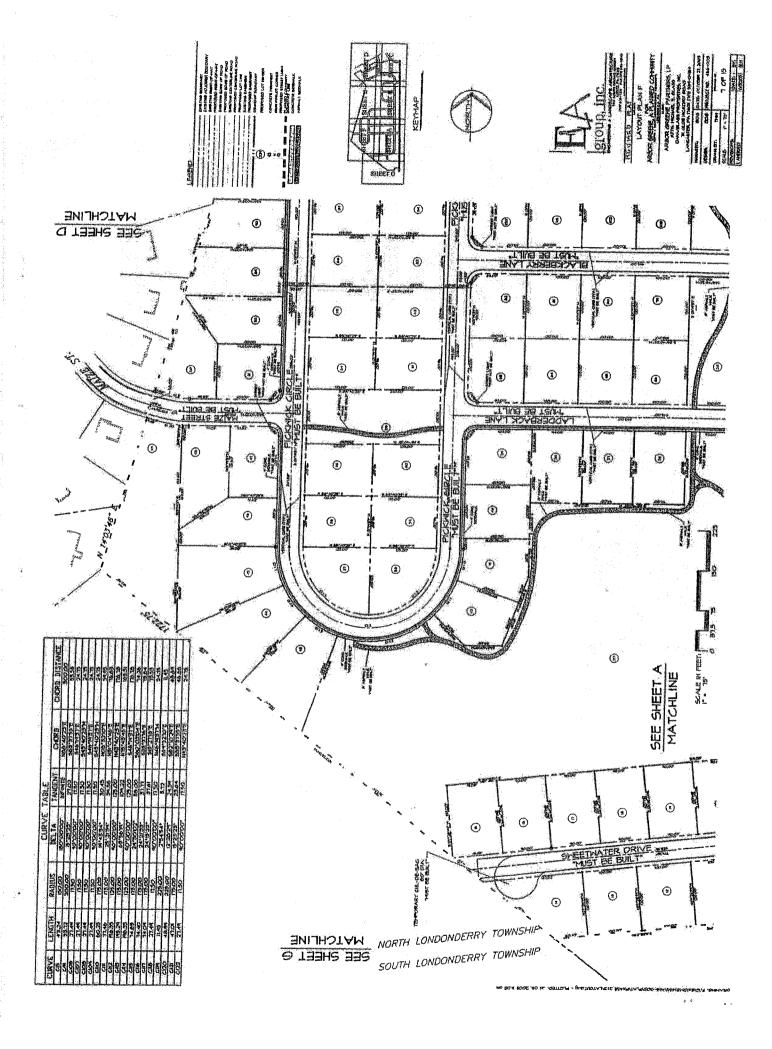


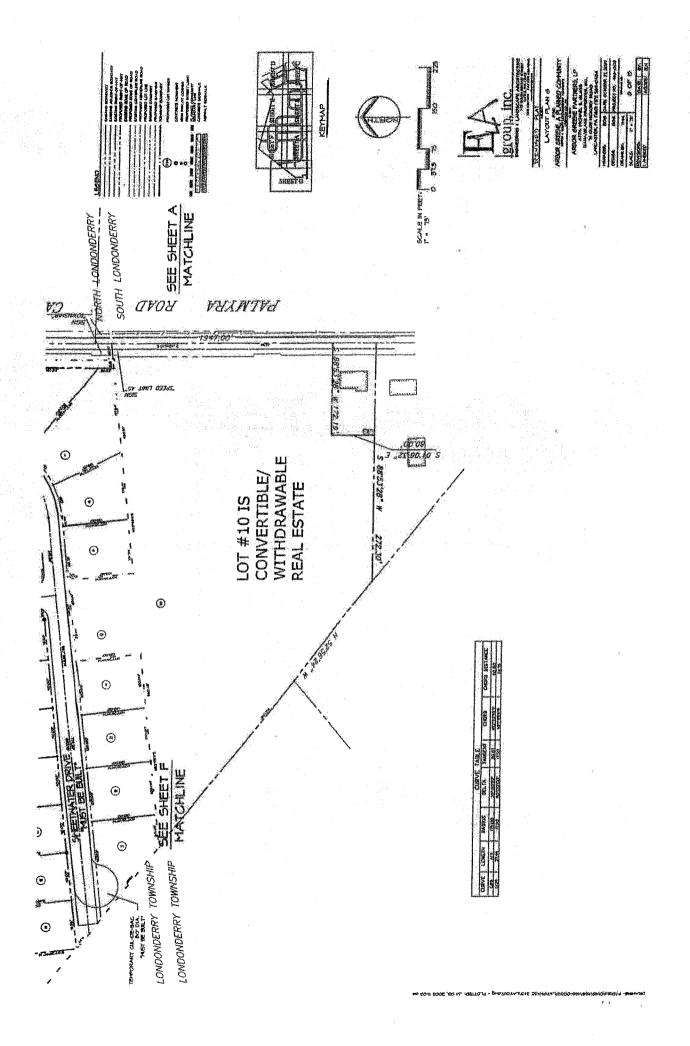


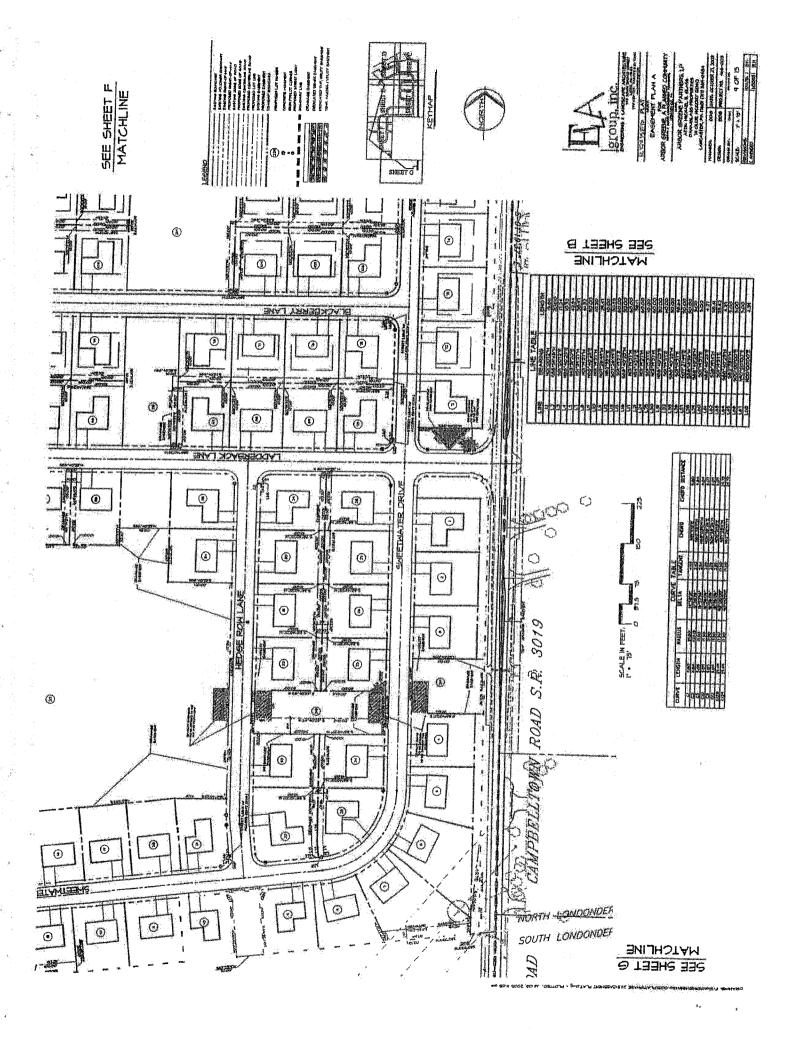


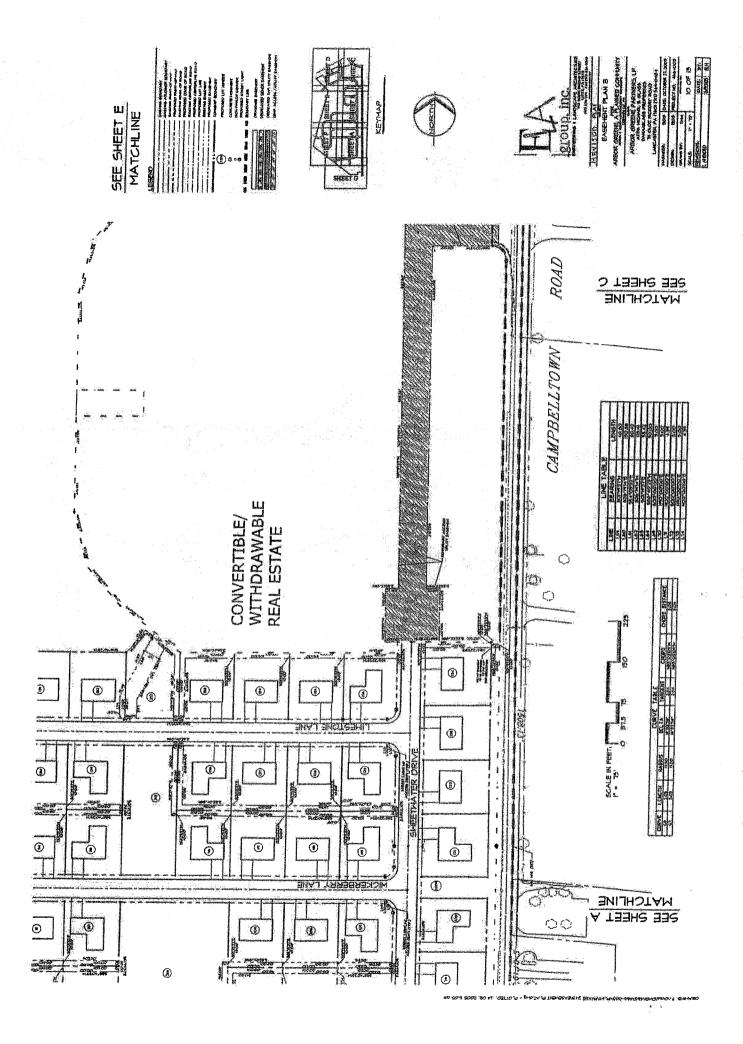


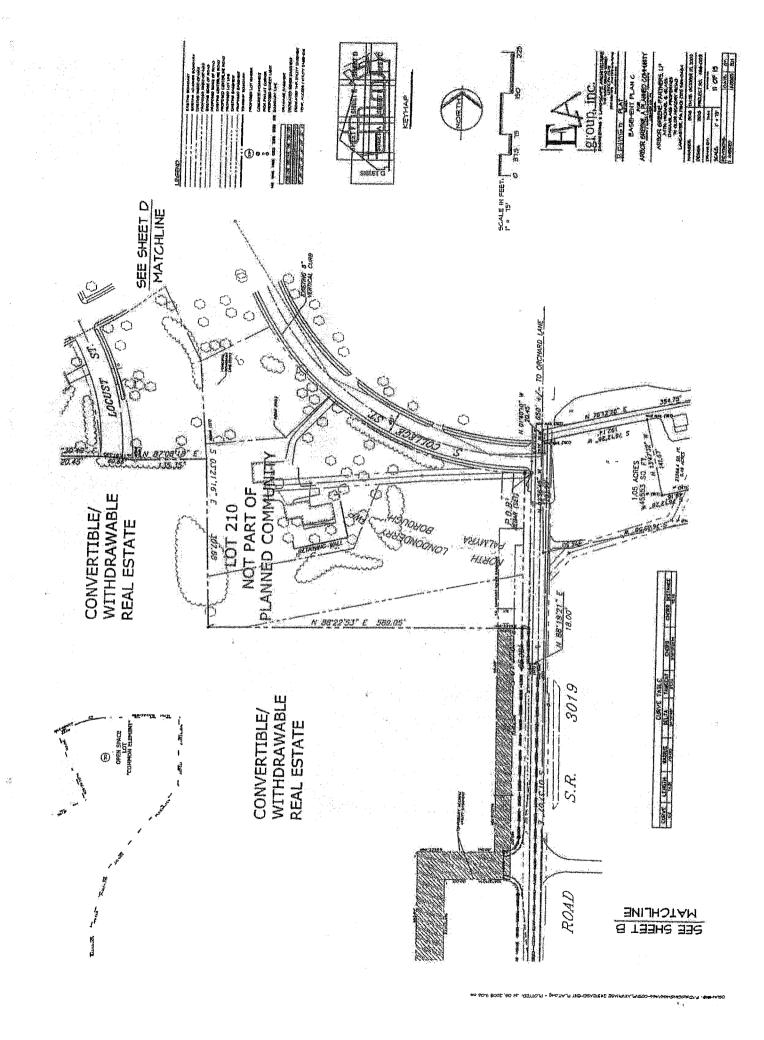


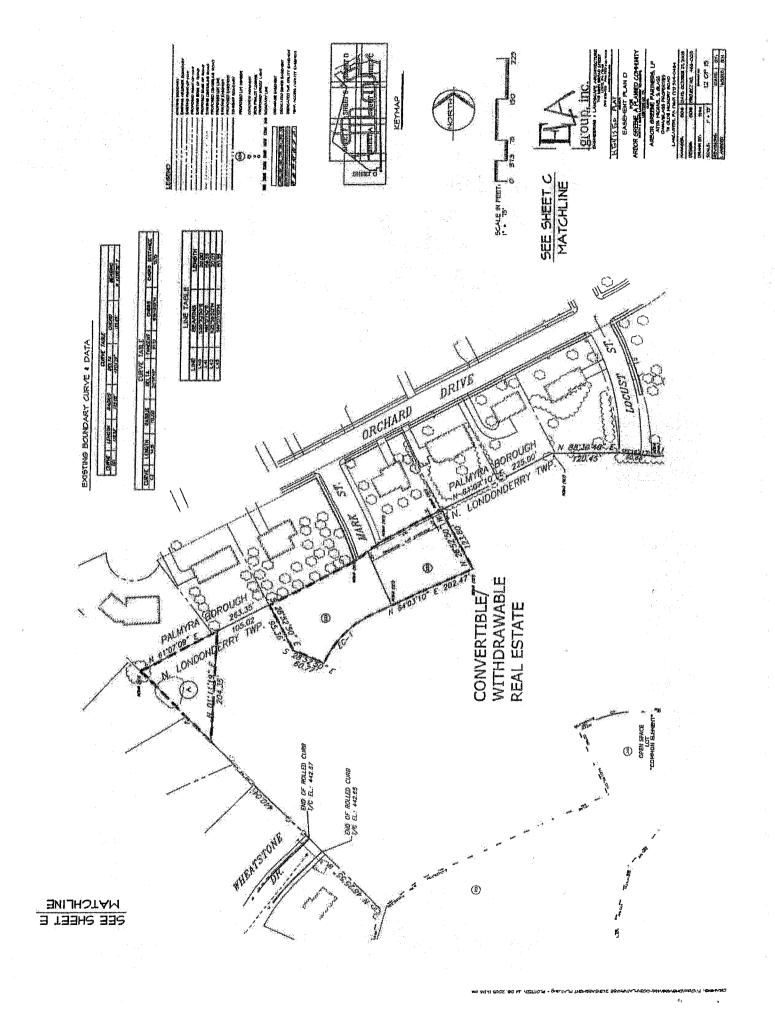


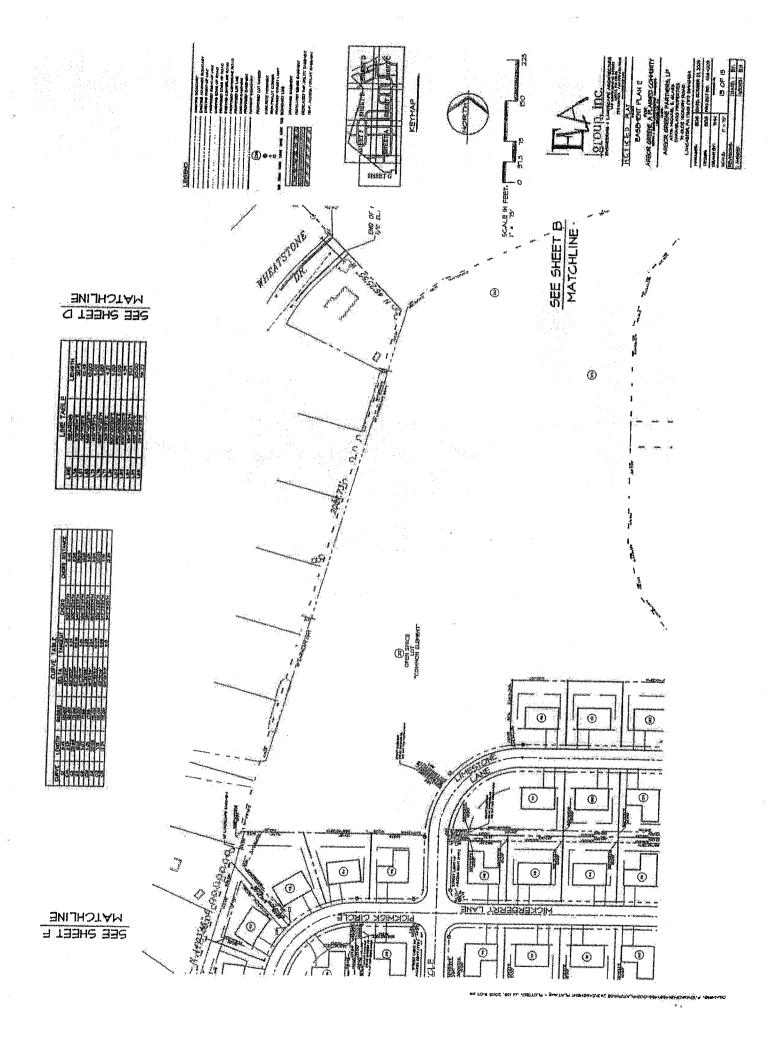


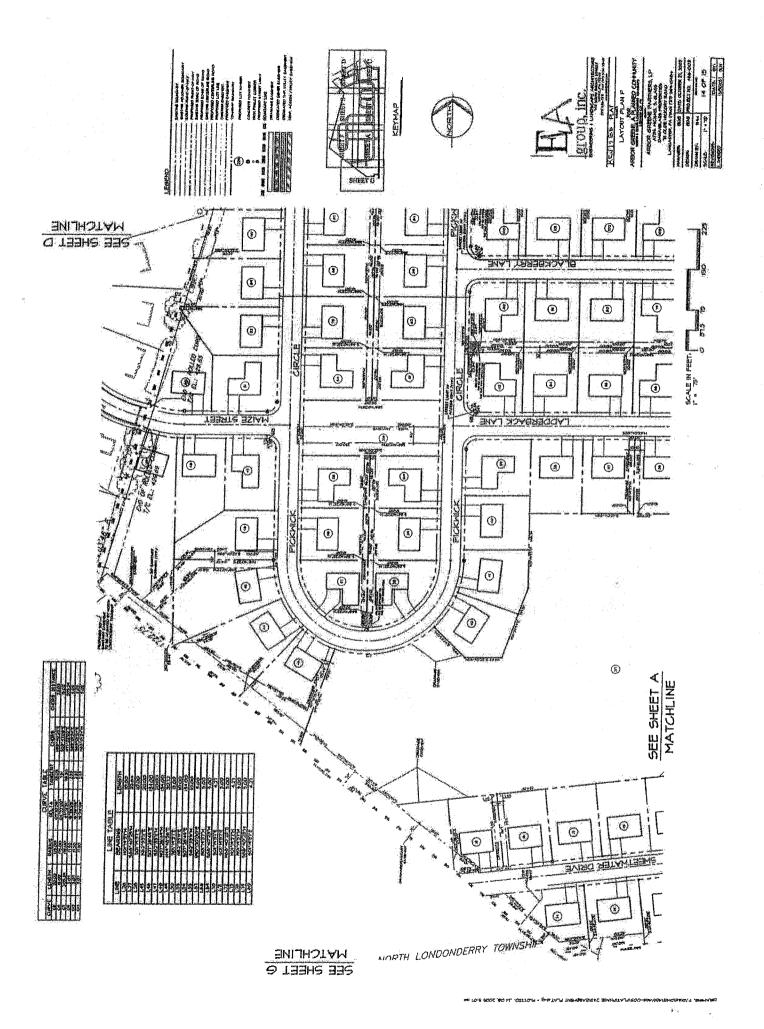












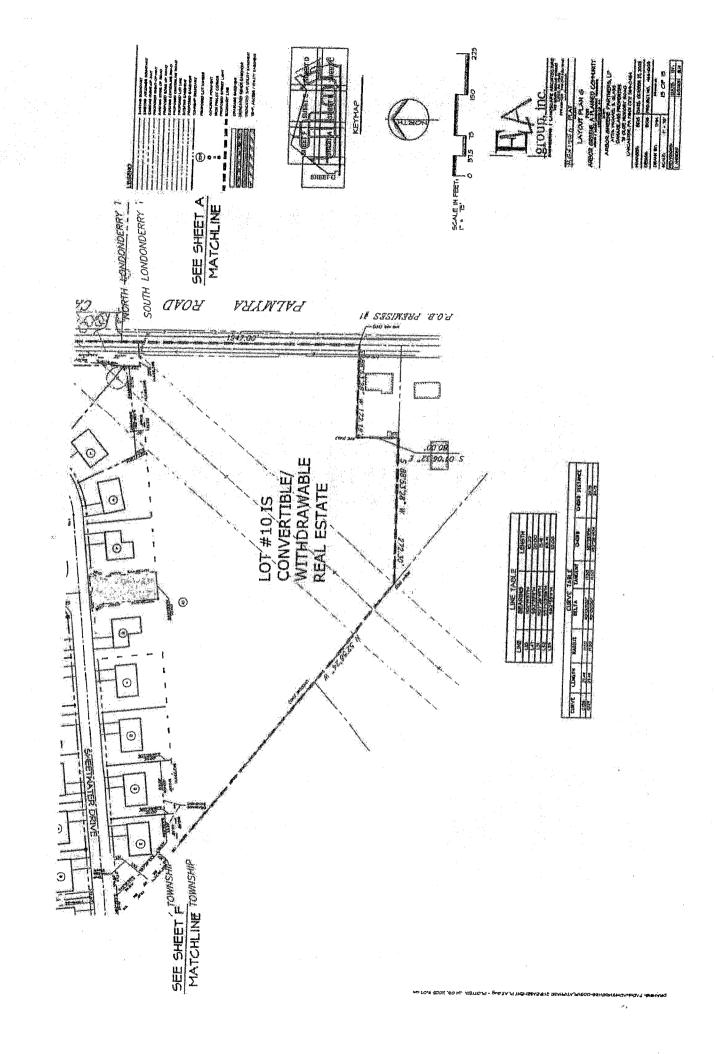


EXHIBIT 3

UNIT IDENTIFYING NUMBERS AND SHARE OF RESPONSIBILITY FOR COMMON EXPENSES

UNIT NUMBER		SHARE OF COMMON EXPENSES*
1		.747%
2		.747%
3		.747%
4		.747%
5		.747%
6		.747%
• 7		.747%
8	Vik	.747%
9:		.747%
11	•	.747%
12	. 4	.747%
13		.747%
14		.747%
15		.747%
16		.747%
17		.747%
18		.747%
19		.747%
20		.747%
21		.747%
22		.747%
23		.747%
24		.747%
25		.747%
26	4	.747%
27		.747%
28		.747%
29	e ²	.747%
30		.747%
31		.747%
32		.747%
33		.747%
34		.747%
35		.747%
36.		.747%
37		.747%
38		.747%
39		.747%
40		.747%
41	*	.747%
42		.747%
43.		.747%
44		.747%

45 46		.747% .747%
47		.747%
48		.747%
49		.747%
50		.747%
51		.747%
52		.747%
53		.747%
54		.747%
55		.747%
56		.747%
57		.747%
58		.747%
59		.747%
60		.747%
61		.747%
62		.747%
63		.747%
64		.747%
65		.747%
66		.747%
67		.747%
68		.747%
69 70		.747%
70 71		.747%
72	.	.747%
73		.747%
74		.747%
75		.747%
76		.747%
77		.747%
78		.747%
79		.747%
80		.747% .747%
81		.747%
82		.747%
83		.747%
84		.747%
85		.747%
86		.747%
87		.747%
88		.747%
89		.747%
90		.747%
91		.747%
92		.747%
93		.747%
94		.747%
95		.747%
		** ** **

96	.747%
97	.747%
98	.747%
99	.747%
100	.747%
101	.747%
102	.747%
103	.747%
104	.747%
105	.747%
106	.747%
107	.747%
108	.747%
109	.747%
110	.747%
111	.747%
112	.747%
113	.747%
114	.747%
115	
116	
117	.747%
118	.747%
119	.747%
120	.747%
121	.747%
122	.747%
122	.747%
123	.747%
125	
	.747%
126	.747%
127	.747%
128	.747%
129	.747%
130	.747%
131	.747%
132	.747%
133	.747%
134	.747%
135	.747%
136	
130	.747%
222	0 until conditions set forth in Section
	2.1 have occurred
223	0 until conditions set forth in Section
الدور والدور	
	2.1 have occurred

500

DECLARATION OF ARBOR GREENE

A PLANNED COMMUNITY

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

TABLE OF CONTENTS

and the control of t	Page
ARTICLE I	
SUBMISSION; DEFINED TERMS	1
Section 1.1 Declarant: Property; County; Name	. , 1
Section 1.2 Easements	1
Section 1.3 Defined Terms	2
ARTICLE II	
COMMON EXPENSE ALLOCATION; VOTES IN ASSOCIATION	
UNIT IDENTIFICATION AND BOUNDARIES;	А
MAINTENANCE RESPONSIBILITIES; SUBDIVISION OF UNITS	
Section 2.1 Common Expense Allocation; Votes	* * -
Section 2.2 Unit Boundaries	
Section 2.3 Maintenance Responsibilities Section 2.4 Subdivision of Units	
그는 사람들은 사람들이 가장 하는 것이 되었다. 그는 사람들이 가장 하는 사람들이 되었다면 가장 하는 것이 되었다. 그는 사람들이 되었다면 하는 것이 되었다면 하는데 되었다면 되었다면 하는데 되었다면 되었다면 되었다면 되었다면 하는데 되었다면 하는데 되었다면 되었다면 되었다면 되었다면 되었다면 되었다면 되었다면 되었다면	A W -
요하는 사람들이 가는 사람들은 사람들은 사람들이 사고 얼마나를 하고 하면 생각하는 것이다.	
ARTICLE III	
COMMON ELEMENTS	5
Section 3.1 Common Elements	5
Section 3.2 Conveyance; Completion Bonds	5
ARTICLE IV	,
EASEMENTS	
Section 4.1 Additional Easements	6
Section 4.2 Rights of Association	** 1
A TO STOPPE TO THE T	
ARTICLE V AMENDMENT OF DECLARATION	Q
Section 5.1 Amendment Generally	
Section 5.2 Rights of Secured Lenders	
Section 5.2 Rights of Secured Lenders	, i u
en e	
ARTICLE VI	
CONVERTIBLE REAL ESTATE	
Section 6.1 Reservation	8
Section 6.2 Assurances	8
ARTICLE VII	
OPTION TO WITHDRAW REAL ESTATE	
Section 7.1 Withdrawable Real Estate	9

Hovember 3, 2003

ARTICLE VIII	
USE RESTRICTIONS	10
Section 8.1 Use of Units and Common Elements	10
h _a .	
ARTICLE IX	
MORTGAGES	13
Section 9.1 Mortgages	13
and the control of th	
ARTICLE X	- 4
POWERS OF EXECUTIVE BOARD	14
Section 10.1 Additional Powers	14
Section 10.2 Resolution of Disputes	14
ARTICLE XI	
BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT	15
Section 11.1 <u>Annual Assessments; Quarterly Payments</u>	15
Section 11.2 Subordination of Certain Charges	15
Section 11.3 Reserves	15
Section 11.4 Accounting	16
Section 11.5 Acceleration	*** 10
Section 11.6 Collection of Charges	16
ARTICLE XII	
RIGHTS OF FIRST MORTGAGEES	
Section 12.1 Reports and Notices	16
ARTICLE XIII	
DECLARANT'S RIGHTS	17
Section 13.1. Control	17
ARTICLE IV	
DUTIES OF OFFICERS AND MEMBERS OF EXECUTIVE BOARD	
LIMITATION OF LIABILITY	18
Section 14.1 Standard of Conduct	18
Section 14.2 Good Faith Reliance	18
Section 14.3 Limited Liability	., 15
Section 14.4 Indemnification	IS
Section 14.5 D & O Insurance	20

ARTICLE I SUBMISSION; DEFINED TERMS

Section 1.1 Declarant: Property; County; Name. Arbor Greene Partners, LP ("Declarant"), a Pennsylvania limited partnership, owner in fee simple of the Real Estate described in Exhibit "1" attached hereto, which is part of the property described in the deeds into the Declarant recorded in the Office of the Recorder of Deeds for Lebanon County on November 5, 2003 in Book 2035, Pages 808 and 835, located partially in the Township of South Londonderry and partially in the Township of North Londonderry, Lebanon County, Pennsylvania, hereby submits such Real Estate, including all easements, rights and appurtenances thereunto belonging and the improvements erected or to be erected thereon (collectively, the "Property") to the easements, covenants and restrictions hereinafter set forth and to those provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S. §5101 et seq. (the "Act") enumerated, and hereby creates with respect to the Property a Planned Community, to be known as "Arbor Greene" (the "Community").

Section 1.b. <u>Easements</u>. Included among the easements, rights and appurtenances referred to in Section 1.1 above are the following recorded or expected to be recorded easements, and the Real Estate is hereby submitted to the Act:

- a. SUBJECT TO rights granted to Metropolitan Edison as set forth in Misc. Book S-2, Page 432; Misc. Book Z-2, Page 369; Misc. Book 17, Page 993; Misc. Book 18, Page 636; and Misc. Book 37, Page 354, in the Office of the Lebanon County Recorder of Deeds, for the purposes its maintaining and operating electricity transmission lines.
- b. SUBJECT TO an easement and/or deed of dedication (the subject areas of which are identified as "sanitary sewer easements") granted or to be granted by the Declarant to North Londonderry Township Authority, which grant shall be recorded in the Office of the Lebanon County Recorder of Deeds, for the purpose of its owning, operating, and maintaining sewer mains and lines through which sewer service will be provided to the Community, as shown in the Subdivision Plan for the Community recorded in the Office of the Recorder of Deeds for Lebanon County in Subdivision Plan Book 57, Page 68 (the "Subdivision Plan") and in the Plat.
- c. SUBJECT TO an easement and/or deed of dedication (the subject areas of which are identified as "utility easements") granted or to be granted by the Declarant to North Londonderry Township, which grant shall be recorded in the Office of the Lebanon County Recorder of Deeds, for the purpose of its owning and maintaining certain storm water management facilities within the Community, as shown in the Subdivision Plan and in the Plat.
- d. SUBJECT TO an easements granted or to be granted by the Declarant to the Pennsylvania American Water Company North Londonderry Township, which grant shall be recorded in the Office of the Lebanon County Recorder of Deeds, for the purpose of its owning, operating, and maintaining water mains and lines through which water

water service will be provided to the Community, which easement areas shall include, but not be limited to, those areas designated as "utility easements" on the Plat and the Subdivision Plan.

- e. SUBJECT TO rights-of-way and deeds of dedication granted or to be granted by the Declarant to North Londonderry Township to be recorded in the Office of the Lebanon County Recorder of Deeds in connection with the Declarant's dedication of the streets and roads within the Community to North Londonderry Township as shown in the Subdivision Plan.
- f. SUBJECT TO easements for street lights as shown in the Plat and in the Subdivision Plan.
- g. TOGETHER WITH AND SUBJECT TO easements and restrictions benefitting and burdening the Property, and portions thereof, as shown in the Subdivision Plan and the Plat.
- Section 1.c. <u>Defined Terms</u>. Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act. The following terms are used or defined in general terms in the Act and shall have specific meanings herein as follows:
 - a. "Association" means the Home Owners Association of the Community and shall be known as the "Arbor Greene Home Owners Association."
 - b. "Bylaws" means the bylaws regulating the affairs of the Association, as they may be amended from time to time.
 - c. "Common Elements" means all portions of the Community other than the Units and other than street rights-of-way and streets dedicated or to be dedicated by the Declarant to the municipalities within which the Community is situated, and includes storm water management basins, facilities, and outlets within the open areas to the extent not dedicated to and owned by North Londonderry Township, open areas, recreational areas, walkways, and facilities within open areas, street lights (which need not be built) and signs identifying the Community as shown in the Plat.
 - d. "Common Expenses" means all expenses incurred to maintain, repair, reconstruct, and operate the Common Elements and the Association.
 - e. "Community" means Arbor Greene, a Planned Community described in Section 1.1 above and created by this Declaration.
 - f. "Convertible Real Estate" means Unit 10 and any or all the land included in any Future Phase of the Property as shown in the Plat, so long as Declarant continues to have the right under the Act and hereunder to create and add Units to the Community.

- g. "Declarant" means Arbor Greene Partners, LP as set forth in Section 1.1 above and all successors to any Special Declarant Rights, as defined and provided in the Act.
- h. "Declaration" means this document, as the same may be amended from time to time.
 - i. "Executive Board" means the Executive Board of the Association
- j. "Future Phase" and "Future Phases" means the portions of the Property not included in Phase 1 as shown in the Plat and the Subdivision Plan.
- k "Plat" and "Plats and Plans" means the Plat of the Community recorded with this Declaration in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania as Exhibit "2" hereto, and a reduced copy of which is also attached hereto in Exhibit "2" and made a part hereof, as the same may be amended from time to time. From time to time Exhibits "1," "2" and "3" shall be amended to reflect the addition of Units as Convertible Real Estate is added to the Community and the removal of portions of the Property as Withdrawable Real Estate is withdrawn.
- 1. "Property" means the Property described in Section 1.1 above, less such portions of the Withdrawable Real Estate as shall have been withdrawn from the Community.
- m. "Rules and Regulations" means the rules and regulations as promulgated by the Executive Board from time to time with respect to use of the Common Elements.
- n. "Unit" means a building lot within the Community as described and shown in the Plats and shown as a "Lot" therein and in the Subdivision Plan, but excluding any Lot that is designated as Open Space or a Common Element. The Community shall include additional Units as and when any of the Convertible Real Estate is added to the Community. When used in this Declaration, "Lot" shall also mean "Unit."
- n. "Withdrawable Real Estate" means so much of the Convertible Real Estate within which Units or Common Area have not been created and added to the Community as Convertible Real Estate and which is withdrawn from the Community within the time during which the Declarant may do so.

ARTICLE II

COMMON EXPENSE ALLOCATION; VOTES IN ASSOCIATION; UNIT IDENTIFICATION AND BOUNDARIES; MAINTENANCE RESPONSIBILITIES; SUBDIVISION OF UNITS

Section 2.1 Common Expense Allocation, Votes. Common Expenses shall be allocated equally among all the Units (excluding any Lot or Unit that is a Common Element) of the Community at the time of any assessment by the Association. Consequently, each Unit's share of all Common Expense assessments shall be the percentage equivalent of a fraction, the numerator of which is one and the denominator of which is the total number of Units (other than Common Elements) at the time of such assessment. Each Unit owner shall be entitled to one vote in the affairs of the Association. Each Unit's percentage of all votes in the affairs of the Association from time to time, therefore, shall be the percentage equivalent of a fraction, the numerator of which is one and the denominator of which is the total number of Units (excluding any Common Elements). The identifying number for each Unit and its share of Common Expense liability, expressed as a percentage, is set forth in Exhibit 3 hereof, as such Exhibit 3 may be amended from time to time to reflect the addition of Units from Convertible Real Estate or the withdrawal of Units within Withdrawable Real Estate. As Units are added within the Convertible Real Estate, or as Units are withdrawn within Withdrawable Real Estate, each Unit's percentage share of Common Expenses, and each Unit's relative voting strength, will proportionately increase or decrease, as the case may be. The foregoing notwithstanding, Units 222 and 223 shall not bear any allocation or liability for Common Expenses until and unless: (a) the Future Phase in which the lots they border is converted as Convertible Real Estate, (b) the streets, sanitary sewer lines, water service lines, and storm water drainage facilities within such Future Phase, and the lateral sewer and water lines serving such Units all are completed, (c) and other public utility services are available within such Future Phase and to the boundaries of such Units, after all of which Units 222 and 223 shall be liable to the same extent as other Units with resepct to allocations of and liability for a share of Common Expenses.

Section 2.2 <u>Unit Boundaries</u>. The title lines or boundaries of each Unit are shown on the Plats and Plans, each such Unit being a single family residential building lot. All improvements with the boundaries of a Unit shall be part of such Unit.

Section 2.3. <u>Maintenance Responsibilities</u>. Unit Owners are responsible for maintaining and repairing their Units and all improvements erected thereon. After conveyance thereof by the Declarant to the Association, the Association shall be responsible for maintaining and repairing the Common Elements.

Section 2.4 <u>Subdivision</u>. Except for Unit 10, within which the Declarant may create as many as twelve Units and Common Elements in the process of converting it as Convertible Real Estate or by subdividing Lot 10 after conversion, no Unit may be subdivided except when an existing Unit is divided and its parts are added to adjoining Units in order to enlarge the size of the Units to which such parts are added. Furthermore, a Unit may be added to another adjoining Unit in its entirety. In any such event, each resulting Unit will be one Unit for purposes of allocating votes in the Association and allocating Common Expenses, and the subdivided Unit

-4-

(or the Unit added to another Unit) shall cease to be a Unit for such purposes. In no event will the number of Units in the Community be permitted to increase as a result of the subdivision of any Unit other than Unit 10. A Unit owner or Unit owners desiring to subdivide a Unit as permitted in this section 2.4 or to add one Unit to another Unit shall apply to the Association to do so, and if the application comports with the provisions of this section 2.4, the Association shall prepare, execute, and record an appropriate amendment to this Declaration, including the Plats. Such amendment shall be executed by the owner or owners of the affected Units and must reallocate the votes in the Association and common expense liability formerly allocated to the subdivided Unit or, as the case may be, the Unit added to another Unit. The Association may impose a charge upon the Unit owner or owners applying to subdivide a Unit or to add one Unit to another sufficient to cover the costs of the Association incurred or to be incurred to review the application, to amend the Declaration and Plats, and to record such amendment.

ARTICLE III COMMON ELEMENTS

Section 3.1 Common Elements: The Declarant reserves the right to designate, and hereby does designate, certain portions of the Community to be Common Elements as shown in the Plats and Plans. Such Common Elements include storm water basins, swales, and outlets within the open areas that are not dedicated to North Londonderry Township or otherwise which the Association must maintain, all open areas, walkways within open areas, sidewalks within open areas, signs identifying the Community, and, if but only if the Declarant erects them, street lighting (which need not be built, erected or installed), all as shown in the Plat. Common Elements do not include street rights-of-way and streets dedicated or to be dedicated by the Declarant to the municipalities within which the Community is located, nor any sewer lines or facilities or storm water management facilities dedicated to a municipality and with respect to which such municipality has a maintenance, repair and replacement obligation. Any storm water management facilities that will become common elements will be constructed by the Declarant prior to conveyance to the Association, as hereinafter provided. All open areas may be used by all Unit Owners, their guests, residents, and family members in accordance with the Rules and Regulations from time to time adopted by the Executive Board. The Association shall maintain and repair all Common Elements, excepting sidewalks located upon a Unit or located along a front, side, or rear yard of a Unit (which shall be maintained and repaired by the Unit owner at such Unit owner's expense), with the costs thereof being Common Expenses. All Unit owners are advised that if the Association fails to maintain storm water management facilities within the Common Elements and that are its responsibility, or if the Association permits open areas that are part of the Common Elements to become a nuisance, the Townships in which such Common Elements are located or other applicable governmental bodies will have the right, but not the duty, to make necessary repairs at the expense of the Association and/or Unit owners.

Section 3.2 <u>Conveyance, Completion Bonds</u>. Common Elements will be owned by the Declarant until conveyed to the Association. On or before the date that the last Unit (including Units that may be created within any Convertible Real Estate) is conveyed to a Unit Owner other than the Declarant, the Common Elements (excluding street and utility rights-or-way and streets and storm water and sanitary sewer facilities dedicated or to be dedicated to municipalities) will

-5-

be conveyed by the Declarant to the Association by Deed of Special Warranty for no consideration; provided, however, that the Association shall be obligated to assume the Declarant's obligation to maintain all such Common Elements, including but not limited to certain storm water management facilities and basins, swales, and outlets within the open areas. and signs identifying the Community. The Association's assumption of the Declarant's maintenance obligations will increase the budget of the Association. Any increase in the Association's budget will increase Common Expenses and consequently the Unit owners' allocable shares thereof. Until conveyance of the Common Elements to the Association, the Declarant shall be solely responsible for real estate taxes assessed against or allocable to the Common Elements and for all other expenses in connection therewith. The Declarant does not intend to provide to the Association any third party guarantee, bond, escrow, letter of credit or similar mechanism to assure completion of all improvements to be constructed within or included as Common-Elements. Only the Declarant's guarantee and obligation set forth-herein. and any improvements bond or letter of credit in favor of and required by the municipalities within which the Community is located, will be provided to assure that such improvements will be completed. Any Common Elements constituting a constructed improvement that is built or to be built will be deemed to be completed upon approval of the municipality within which such Common Elements are located. The foregoing obligations of the Declarant shall be binding upon the Declarant and any successor in interest. All improvements upon, to or within the Common Elements are anticipated to be completed within one year after conveyance of the first Unit within the Phase where such Common Elements are located, and in all events will be completed prior to conveyance of the last Unit from time to time included within the Community.

ARTICLE IV EASEMENTS

Section 4.1 <u>Additional Easements</u>. In addition to and in supplementation of any easements provided for by the Act, and those contemplated or existing as described in Section 1.2, the following easements are hereby created:

- a. <u>Signs</u>. Declarant reserves the right to place signs and other advertisements within the Common Elements in such manner, of such size, and in such locations as Declarant deems appropriate. The Declarant also reserves for itself and its assigns an easement to maintain a sign identifying the Community within open areas that are Common Elements, and an easement of access over and across such open areas for purposes of erecting, replacing, repairing and maintaining such sign, which shall be located within the area shown in the Plats and Plans.
- b. <u>Utility Easements</u>. The Units and Common Elements shall be, and hereby are, made subject to easements in favor of 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. Such easements 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. Notwithstanding the foregoing provisions of this Section 4.1.b, unless shown in the Plat or the Subdivision Plan, or unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located so as not to materially interfere with the use or occupancy of the Unit by its occupants.

- on, over and under the Common Elements for the purpose of constructing and modifying the storm water management facilities on the Common Elements, and for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 4.1.c 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.
- d. <u>Basement for Use</u>. Subject to Rules and Regulations from time to time adopted by the Executive Board, each Unit Owner and each person lawfully residing on the Property, together with their guests, is hereby granted a non-exclusive perpetual right and easement of access to use and enjoy, in common with others, the open space and other portions of the Common Elements, subject to compliance with rules and regulations adopted from time to time by the Association.
- f. <u>Easement for Access</u>. The Common Elements are hereby made subject to an easement in favor of the Association and its agents, employees, and independent contractors for inspection, maintenance, repair and replacement of the Common Elements,
- Withdrawable Real Estate is withdrawn from the Community by the Declarant, the Declarant shall have the right, and hereby reserves, easements for storm water drainage, utility easements, and access easements over and across the Common Elements, and easements of use of sanitary sewer and storm water drainage facilities within the Community all benefitting the Withdrawable Real Estate and as may be necessary in order to develop the Withdrawable Real Estate separately from the Community. The Declarant does not anticipate that its reservation of such easements benefitting Withdrawable real estate will materially increase the budget of the Association or adversely affect the Community, it being observed, however, that such Withdrawable Real Estate will not contribute toward the Common Expenses and thus will not bear its share of the costs of maintaining the Common Elements, including the facilities utilized by the Withdrawable Real Estate within such easements.
- Section 4.2 <u>Rights of Association</u>. In addition to any other rights and powers that the Association may have pursuant to this Declaration, the Bylaws, the Rules and Regulations and the Act, the Association shall have the right to grant permits, licenses, and easements over the

Common Elements for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Community.

ARTICLE V AMENDMENT OF DECLARATION

Section 5.1 <u>Amendment Generally</u>. This Declaration may be amended only in accordance with the procedures specified in Section 5219 of the Act, the other Sections of the Act referred to in Section 5219 thereof and the express provisions of this Declaration.

Section 5.2 Rights of Secured Lenders. Subject to the limitations imposed by Section 5221 of the Act and except as permitted hereinafter, no amendment of this Declaration may be made without the prior written approval of all record holders of first mortgages on Units if and to the extent that such approval is required by the Act. The foregoing and any provision of this Declaration to the contrary notwithstanding, no approval of any such holders of first mortgages shall be required with respect to any Amendment pursuant to Article VI or Article VII hereinafter. In addition, any published requirement of the Federal National Mortgage Association, or its successors (collectively "FNMA") or of the Federal Home Loan Mortgage Corporation, or its successors (collectively "FHLMC") with respect to approval of amendments to the Declaration by holders of mortgages on Units shall be complied with if, at the time such amendment is submitted to the Unit Owners for their approval, one or more mortgages on Units is held by whichever of FNMA or FHLMC imposes such requirement and the Executive Board has been notified in writing that a mortgage is held by the entity imposing such requirement and in accordance with Article XII.

ARTICLE VI CONVERTIBLE REAL ESTATE

Section 6.1 Reservation. Declarant hereby explicitly reserves an option, until the seventh (7th) anniversary of the recording of this Declaration, to convert all or any portion of the Convertible Real Estate to Units or Common Elements or any combination thereof from time to time in compliance with Section 5211 of the Act without the consent of any Unit Owner or holder of a mortgage on any Unit. This option to convert may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to convert any or all portions of the Convertible Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be converted, added or withdrawn; provided, however, that the Convertible Real Estate shall not exceed the total area described as such on Exhibit "2" hereto and in the Plat as Lot 10 and the Future Phases. There are no other limitations on this option to convert Convertible Real Estate.

Section 6.2 <u>Assurances</u>. If all the Convertible Real Estate is converted, the Units therein will be located within the areas as shown on the Plat as Lot 10 and as Convertible/Withdrawable Real Estate (and as Future Phases in the Subdivision Plan), as Lot 10 and such Convertible/Withdrawable Real Estate, or Future Phases may be configured from time to time.

Any portion or all of Lot 10, as it may be reconfigured from time to time, may be added to the Community, however, if any portion of Coverntible/Withdrawable Real Estate, as a Future Phase is added to the Community, the entire Future Phase as then configured will be added,. At such time, if any, that all the Convertible Real Estate is converted, the maximum number of Units in the Community, exclusive of Units that are Open Space Lots but including the Units identified in Exhibit 3 hereto, shall be 226. All restrictions in this Declaration affecting use of Units shall apply to Units created within the Convertible Real Estate, all of which shall be limited to such uses are permitted by the applicable Zoning Ordinances, and variances allowed thereunder, and thus to the extent permitted in such Zoning Ordinances, may or may not be limited solely to residential use. The reallocation of Common Expense liability as a result of the creation of additional Units from the Convertible Real Estate shall be computed as required by Section 2.1 above. As a result of the addition of Units resulting from the inclusion of Convertible Real Estate in the Community, the relative voting strength of each Unit will decrease in the same proportion as the decrease in such Unit's percentage liability for Common Expenses. All Units added to the Community as a result of including any Convertible Real Estate will be intended for residential use (except to the extent the applicable Zoning Ordinance may permit other uses) and be similar to other Units as shown in the Plats and Plans, although such added Units may be larger or smaller than such other Units. Common Elements within the Convertible Real Estate will be limited to storm water management basins, swales, and outlets within open space, open space, street lights (if and to the extent Declarant elects to install them), walkways, sidewalks, and Community identification signs, and to the extent available to or used as such by or benefitting the Community prior to conversion of any Convertible Real Estate into Units, shall be Common Elements of the Community, with the costs of maintenance being Common Expenses allocable to all Units (excluding Common Elements themselves) at any time created, excepting sidewalks that must be maintained and repaired by the Unit owner upon which sidewalks are built or which border the Unit. There will be no Limited Common Elements, as defined in the Act, created within the Convertible Real Estate.

ARTICLE VII OPTION TO WITHDRAW REAL ESTATE

Section 7.1 Withdrawable Real Estate. Declarant hereby explicitly reserves an option, until the seventh (7th) anniversary of the recording of this Declaration, to withdraw Withdrawable Real Estate from the Community from time to time in compliance with Section 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 the Declarant. Declarant expressly reserves the right to withdraw any or all 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 Section 5212 of the Act; provided, however, that the total Withdrawable Real Estate shall not exceed the Convertible Real Estate and Lot 10, as shown in the Plat. There are no other limitations on this option to withdraw the Withdrawable Real Estate. This Declaration shall not apply to any Withdrawable Real Estate that is withdrawn and there shall be no reallocation of Common Expense liability and no change in voting rights appurtenant to any Unit resulting from withdrawal of any Withdrawable Real Estate, except to the extent that

Units which have been created ad are part of the Community are withdrawn as Withdrawable Real Estate, as may be the ease with respect to Lot 10. If any Withdrawable Real Estate is withdrawn after having become part of the Community, the share of Common Expenses liability borne by all the Unit owners will proportionately increase because the Units within such Withdrawable Real Estate will no longer be contributing toward the Common Expenses.

ARTICLE VIII USE RESTRICTIONS

Section 8.1 <u>Use of Units and Common Elements</u>. The use of the Units and Common Elements shall be subject to the following restrictions:

- a. All Units shall be restricted and limited to the extend provided in the applicable Zoning Ordinanee or Zoning Ordinances affecting the Community, subject, however, to variances granted thereto.
- b. There shall be no obstruction of the Common Elements nor shall anything be stored in or upon the Common Elements without the prior written consent of the Executive Board, other than by the Declarant in connection with constructing any portion of the Community and other than by the Association, its employees and independent contractors in performing its obligations or exercising its rights under this Declaration.
- c. No benches, ehairs, or other personal property belonging to the owner or occupant of a Unit (other than the Association) shall be left on the Common Elements.
- d. All Unit Owners and their residents and guests shall comply with the Rules and Regulations from time to time adopted by the Executive Board and not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Common Elements.
- e. No chain-link fences, barbed wire fences, or fences composed of visible metal or plastic wire may be erected on any Unit. In addition, no fencing or other barrier may be constructed or installed in or upon any Unit except behind the rear wall of the principal dwelling located thereon. Otherwise, split-rail, vinyl or painted wooden board fences are permitted in the rear portions of a Unit provided they do not exceed five feet (5') in height.
- f. No outside laundry facilities for washing or drying laundry (including but not limited to poles or clothes lines) shall be permitted on any Unit except in the back yard behind the home eonstructed on the Unit.
- g. No vans, trucks, or other vehicles longer than twenty (20) feet or in excess of 6,800 lbs. gross vehicle weight, and no tractor trailer cabs, or trailers of any type shall be permitted to be parked or kept upon any Unit (except wholly within a garage) or upon streets bordering any Unit, except for service vehicles making deliveries to the Unit and

- then only during the time such deliveries are being made. The foregoing, however, shall not be construed to prevent the placement or parking of construction vehicles and equipment need for and during construction of structures upon a Unit.
- h. No boats, snow mobiles, motorcycles, all-terrain vehicles, campers, motorhomes, trailers, recreational vehicles, or inoperable or unlicensed vehicles may be stored or parked upon any Unit or upon any street bordering a Unit, except wholly within a garage, and except for temporary parking for periods not to exceed twenty-four (24) hours.
- i. With respect to storage sheds and auxiliary structures placed or erected upon an Unit the following shall apply: Roof shingles must match the roof shingles of the house constructed on the Unit, all siding must match the majority of the siding materials of the house constructed on the Unit, the minimum footprint shall be ten (10) by twelve (12) fee, and must be new when placed or constructed on the Unit.
- j. No billboards or advertising sign of any character may be erected, placed, permitted or maintained on any Unit or improvement thereon, except for a "For Rent" or "For Sale" sign, which shall not exceed one sign per Unit, and which shall expressly refer only to the premises on which such sign is displayed. Permitted "For Rent" or "For Sale" signs may not exceed five square feet in size and nay not exceed one sign per Unit.
- k. Units may not be used in whole or in part for the storage of rubbish of any kind, nor for the storage of any property or thing that will cause such Unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor may any substance, thing or material be kept or used upon any Unit that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Units. No rubbish, trash, garbage, scrap metal, waste, new or used lumber or wood (except lumber or wood to be used in constructing a permitted structure on a Unit and firewood to be used in fireplaces in dwellings erected on Units, provided such firewood is stacked no higher than five feet (5') shall be placed or permitted on any Unit except wholly indoors; provided, however, usual household trash and rubbish may be kept in closed sanitary eontainers at curbside for collection purposes only on the day such trash and rubbish is to be collected. No garbage or trash containers may be located in the front or side lawn area of a Unit for more than a twenty-four (24) hour period.
- Units may be used for single-family residential purposes only. No improvements or structures whatsoever, other than a single-family private dwelling house, patio walls, swimming pool and customary outbuildings, garage and carport (which shall be subject to the provisions set forth hereinafter), may be erected, placed or maintained on any Unit.
- m. No animals, insects, birds or fowl may be kept or maintained on any Unit

Except for dogs, cats and pet birds: (i) not to exceed three (3) of any kind including any offspring of such animals while under six (6) months of age, (ii) which are pets for the pleasure and use of the occupants, and (iii) which are not kept for any commercial use or purpose. Moreover, all birds shall be confined in cages and all animals shall be kept and maintained in compliance with all applicable laws and ordinanees.

- n. No radio or television antennas or towers, or similar structures shall be erected, placed, permitted and maintained outside of or on the exterior of any structure on a Unit, except for satellite dishes not exceeding eighteen (18) inches in diameter.
- o. No dwelling or structure upon any Unit shall be occupied in any manner while in the course of construction, nor at any time prior to its being fully completed, nor shall any residence, when completed, be in any manner occupied until made to comply with the approved plans and all covenants, conditions, reservations and restrictions herein set forth. All construction shall be eompleted within a reasonable time from the commencement of construction. No temporary house, temporary dwelling, temporary garage, trailer home or other temporary structure shall be placed or erected upon any Unit.
- p. All building plans for any building or structure to be erected upon any Unit, the proposed location of any building or structure upon any Unit, any change after approval thereof, and any remodeling, reconstruction, alteration or addition to any building, driveway or other structure upon any Unit, shall require the approval in writing of the Declarant or its successors and assigns. Before beginning the construction of any alteration of any driveway or structure upon any Unit, the person or persons desiring to erect, eonstruct or modify the same shall submit to the Declarant for approval two (2) complete sets of driveway plans showing the location, course and width of same, and two (2) eomplete sets of building plans and specifications for the building or other structure, as applicable, so desired to be erected, eonstructed or modified. No structure of any kind, the plans and specifications of which have not received the written approval of the Declarant and which does not comply fully with such approved plans and specifications shall be erected, constructed, placed or maintained upon any Unit. No bi-level or log cabin construction shall be permitted on any Unit. Approval of such plans and specifications shall be evidenced by written endorsement of Declarant, its successors or assigns, on such plans and specifications. No changes or deviations in or from such plans and specifications as approved shall be made without the prior written consent of Declarant, its successors or assigns, who shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications. Plans and specifications may be rejected for purely aesthetie reasons.
- q. Dwellings on Units shall have the following minimum completed living spaces:

- (i) For ranch style houses one thousand six hundred (1,600) square feet;
- (ii) For one and one-half story style houses one thousand eight hundred fifty (1,850) square feet of living space on the first floor;
 - (iii) For two-story style houses two thousand one hundred (2,100) square feet.
- r. Swales and the surface area of other storm water facilities located upon a Unit shall be maintained by the Unit Owner. Unit Owners shall also provide routine surface maintenance to areas upon their Units that are burdened by sanitary sewer, utility, and other easements.
- s. Nothing may be placed, planted, constructed or installed upon any Unit within any sanitary sewer, utility, or storm water easement area. Moreover, no storm water swales, channels, basins or ponds upon any Unit may be altered.
- t. The breach of any covenant or restriction herein eontained, or the continuance of any such breach, may be enjoined or remedied by appropriate proceedings initiated by Declarant, its successors and assigns, the Association, or by the owner of any Unit in the Community. No delay or omission on the part of Declarant, its successors and assigns, the Association, or the owners of Units in exercising any right, power or remedy herein provided in the event of any breach shall be eonstrued as a waiver thereof or acquiescence therein, and no right of action shall accrue nor shall any action he brought or maintained by anyone whatsoever against Declarant, its successors or assigns, or on account of the failure to bring any action on account of any breach of these covenants, conditions, reservations and restrictions, or for imposing any covenants, eonditions, reservations or restrictions which may be enforceable.
- u. In the event any one or more of the foregoing covenants or restrictions are declared for any reason by a court of competent jurisdiction to be null and void or unenforceable, such judgement or decree shall not in any manner whatsoever affect, modify, change or nullify any of the other covenants or restrictions, all of which shall continue in full force and effect.

ARTICLE IX MORTGAGES

Section 9.1 <u>Mortgages.</u> Whether or not they expressly so state, all Mortgages of any Unit or the Common Elements shall be deemed to provide, generally, that they are subject to the terms and eonditions of the Act and this Declaration.

ARTICLE X POWERS OF THE EXECUTIVE BOARD

Section 10.1 <u>Additional Powers</u>. In addition to the powers set forth in the Act and elsewhere in this Declaration, the Executive Board shall have the following powers:

- a. To appoint committees of the Executive Board and to delegate to such eommittees the Executive Board's authority to carry out certain duties of the Executive Board, subject to the approval and control of the Executive Board.
- b. To engage the services of a manager or managing agent, which may be any person, limited liability company, eorporation or other entity, upon such terms and compensation as the Executive Board deems fit, and to remove such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than one year and must be terminable by either party without cause and without payment of a termination fee upon ninety (90) days prior written notice.
- c. To engage the services of any persons (including but not limited to attorneys and aecountants) deemed necessary by the Executive Board at such eompensation as it deems reasonable, in the operation, repair, maintenance and management of the Common Elements or the Association, or in connection with any duty, responsibility or right of the Executive Board and to remove any such person at any time.
- d. To pay any amount necessary to discharge any mechanies' liens or other encumbrances against the Property or any part thereof that may in the opinion of the Executive Board constitute a lien against the Common Elements.
- e. To expend funds for the maintenance and repair of the Common Elements.
- f. In the event of any condemnation of the Common Elements or any portion thereof, to represent the Association in any proceedings, negotiations, settlements, or agreements with the condemning authority.
- g. To borrow money on the eredit of the association and, as security for such borrowing, to assign the Association's rights to receive future income (including assessments) or, pursuant to Section 5318 of the Act, encumber or eonvey the Common Elements, or any portion thereof.
- h. To grant permits, lieenses and easements over the Common Elements subject to the limitations set forth in Section 5302(a)(9) of the Act.

Section 10.2 <u>Resolution of Disputes.</u> In the event any dispute or disagreement between any Unit Owner relating to the Property, or any questions of interpretation or application of this

Declaration, the Plats and Plans, the Bylaws, or the Rules and Regulations, the determination thereof by the Executive Board shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to see a declaratory judgement or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this section. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

ARTICLE XI BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 11.1 Annual Assessments; Quarterly Payments. The Association shall have the power and authority, as provided in the Act, to make assessments against all Units included within the Community to pay the Common Expenses. All regular Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be adopted and assessed on an annual basis payable by the Unit owners in equal quarter-annual installments, in advance on the first day of each quarter year (i.e. January 1, April 1, July 1, October 1). In addition, special assessments may be made by the Association and shall be due and payable by the Unit owners in one or more periodic installments, in advance, on the first day of the applicable period, as determined by the Executive Board. Insurance costs of the Association shall be assessed as part of the Common Expenses. The Executive Board may include in Common Expenses charges for taxes upon and costs incurred for proper maintenance, operation, repair, or replacements of the Common Elements, including, without limitation, lawn care, landseaping, storm water management facilities repair and eleaning, walkways maintenance, lighting maintenance and repair, recreational facilities maintenance, and the like. Any provision of this Declaration to the contrary notwithstanding, Units 222 and 223 shall not be obligated to contribute toward, nor shall they be assessed with respect to, Common Expenses until and unless the conditions set forth in Section 2.1 of this Declaration have occurred, after which they shall be liable to contribute and they shall be assessed with respect to the Common Expenses the same as other Units.

Section 11.2 <u>Subordination of Certain Charges</u>. Any fees, eharges, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 5302(a)(11) and (12) of the Act, shall be subordinate to the lien of all first mortgages on a Unit.

Section 11.3 <u>Reserves</u>. The Association may establish reserve accounts to be funded through quarter-annual assessments over a reasonable period of time and thereafter may maintain adequate reserves for maintenance, repair and replacements of the Common Elements that are anticipated to require maintenance, repair or replacement on a periodic basis and to cover deductible amounts in property insurance policies. Extraordinary expenditures not originally included in the annual budget that may be incurred in any year may be charged first against such reserves. In addition, the Executive Board shall have the right to segregate all or a portion of the reserves for any specific replacement or contingency upon such conditions as the Executive Board deems appropriate.

At the closing for the initial transfer of title from the Declarant to the non-Declarant purchaser or each Unit, the Association shall collect from such purchasers an amount equal to one quarter-annual (calculated pursuant to the then current Association budget or projections thereof) installment of estimated Common Expenses assessed against the Unit transferred, which monies shall be deposited into an initial working capital fund under the control of the Association. No Unit Owner is entitled to a refund of these monies by the Association upon subsequent conveyance of his Unit or otherwise. Such payments do not constitute advance payments of regular assessments.

Section 11.4 <u>Accounting</u>. Within one hundred eighty (180) days after the end of each fiscal year or the Association, being the calendar year unless changed, commencing after the end of the year 2004, the Executive Board shall supply to all Unit Owners a balance sheet and a statement of revenues and expenses of the Association for the preceding year, including an accounting of the Common Expenses actually incurred and paid together with a tabulation of the amounts collected pursuant to the annual budget or assessments and showing the excess or deficit of income over expenditures plus reserves.

Section 11.5 <u>Acceleration</u>. If a Unit Owner is in default in the payment of the assessed charges or installments thereof for sixty (60) days or more, the Executive Board may, in addition to all other remedies in the Act or this Declaration, accelerate all other charges and installments of assessments to become due for the next twelve (12) months on the basis of the budget for the calendar year in which such default occurs and assuming the same budget for the following year' provided, however, a foreclosing mortgagee shall be entitled to automatic subordination of such sums in excess of the amounts given priority in lien or payment over mortgage liens in the Acts.

Section 11.6 <u>Collection Charges</u>. Any delinquent Unit Owner shall also be obligated to pay all expenses of the Executive Board, including reasonable attorneys' fees, incurred in the collection of any delinquent assessments by legal proceedings or otherwise, and any amount paid by the Association for taxes or on account of superior liens or otherwise to proteet its lien, which expenses and amounts, together with accrued interest, shall be deemed to eonstitute part of the delinquent assessments and shall be eollectible as such.

ARTICLE XII RIGHTS OF CERTAIN MORTGAGEES

Section 12.1 Reports and Notices. Upon the specific written request of a holder of a first lien 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:

a. 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 United covered by the mortgage;

- b. Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;
- e. Copies of notices of meetings of the Unit Owners and the right to designate a representative to attend such meetings;
- d. Notice of the decision of the Unit Owners to make any material amendment to this Declaration;
- e. Notice of substantial damage to or destruction of any part of the Common Elements (the repair of which would cost in excess of \$10,000);
- f. Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Common Elements;
- g. 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;
- h. The right to examine the books and records of the Executive Board at any reasonable time; or
- i. Notice of any decision by the Executive Board to terminate professional management and assume self-management of the Property.

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.

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 XIII DECLARANT'S RIGHTS

Section 13.1 Control.

a. Until the 60th day after conveyance of twenty-five (25%) percent of the total number of Units which may be ereated 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.

- b. Not later than sixty (60) days after conveyance of twenty-five (25%) percent of the total number of Units which may be created to Unit Owners other than Declarant, two of the five members of the Executive Board shall be elected by Unit Owners other than Declarant.
- c. Not later than the earlier of (i) seven years after the date of the recording of this Declaration, (ii) 60 days after seventy-five (75%) percent of the total number of Units which may be created to Unit Owners other than Declarant, or (iii) two years after the Declarant has ceased to offer Units for sale in the ordinary course of business, all members of the Executive Board shall resign, and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect a new five-member Executive Board.

ARTICLE XIV DUTIES OF OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD; LIMITATION OF LIABILITY

Section 14.1 Standard of Conduct.

- a. 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.
- b. 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 Community is located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described above.
- c. 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 14.2 <u>Good Faith Reliance</u>. In performing his duties, an officer or Executive Board member shall be entitled to rely in good faith on information, opinions, reports or statement, including financial statements and other financial data, in each case prepared or presented by any of the following:

a. 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.

- b. Counsel, public accounts or other persons as to matters which the officer or Executive Board member reasonably believes to be within the professional or expert eompetence of such persons.
- d. 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 14.3 <u>Limited Liability</u>. 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 14.3 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 14.4 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 14.4 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 eivil 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 14.5 <u>D & O Insurance</u>. The Executive Board may obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section 14.4 above, if and to the extent available at reasonable cost.

IN WITNESS WHEREOF, Arbor Greene Partners, LP has caused its name to be signed to these presents by its authorized member on this 4th day of November, 2003.

ARBOR GREENE PARTNERS, LP By: Dana/Glass Properties, Inc., its general partner

Title: President and Secretary

COMMONWEALTH OF PENNSYLVANIA

SS.

COUNTY OF LANCASTER

On this, the ______ day of November, 2003, before me, a Notary Public, personally appeared Michael S. Glass, known to me (or satisfactorily proven) and who acknowledged himself to be the president and secretary of Dana/Glass Properties, Inc., a corporation and sole general partner of Arbor Greene Partners, LP, and as such president and secretary, and being authorized so to do, signed the foregoing Declaration in their name and acknowledged the foregoing to be their act and deed and desired the same to be recorded as such.

Witness my hand and notarial seal this 4th day of November, 2003.

Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVAN

Notarial Seal
Pamela R. Hostetter, Notary Public
City of Lancaster, Lancaster County
My Commission Expires Sept. 21, 200
Member, Pennsylvania Association of Notari

Hovember 3, 200

SUBORDINATION OF MORTGAGE AND JOINDER BY MORTGAGEE

The undersigned, COMMUNITY BANKS, ("Mortgagee") being holder of three Open End Mortgages all dated November 4, 2003 and intended for immediate recording in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania, upon the within described Property that is the submitted to this Declaration, as further described in Exhibit 1 hereto, and as holder of any other mortgages that the Mortgagee may now or hereafter hold upon such Property (all such mortgages hereinafter collectively referred to as the "Mortgages"), joins in, consents to, and approves the rights, obligations, easements, and privileges in the attached Declaration of Arbor Greene, a Planned Community (the "Declaration"), subordinates its rights as Mortgagee thereto.

The Mortgagee, for itself and its successors and assigns (which shall include any assignee of the Mortgages and any purchaser of the Property or portions thereof at a sale in foreclosure of the Mortgages or otherwise), herein covenants and agrees that the rights, obligations, easements, and privileges granted and created in the Declaration with respect to said Real Estate shall not be terminated or disturbed by reason of any foreclosure or other action that may be instituted by Mortgagee, its successors or assigns, as a result of any default under the Mortgages or the debt instruments that such Mortgages secure. Mortgagee by consenting to the Declaration shall not by virtue of its interest as Mortgagee be deemed to have undertaken any obligations of the Mortgagor, as Declarant, under the Declaration, including but not limited to construction or maintenance of the Common Elements or other site improvements.

IN WITNESS WHEREOF, the Mortgagee has executed this Subordination of Mortgage and Joinder by Mortgagee on this the 4th day of November, 2003.

Attest:

COMMUNITY BANKS

Gary P. Townsend

COMMONWEALTH OF PENNSYLVANIA

SS.

COUNTY OF LANCASTER

On this, the day of November, 2003, before me, a Notary Public, personally appeared Gary P. Townsend, known to me (or satisfactorily proven) and who acknowledged himself to be a Vice President of Community Banks, a corporation, and as such Vice President, and being authorized so to do, signed the foregoing Declaration in its name and acknowledged the foregoing to be its act and deed and desired the same to be recorded as such.

Witness my hand and notarial seal this 4 day of November, 2003.

Alatary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA

Notarial Scal
Pamela R. Hostetter, Notary Public
City of Lancaster, Lancaster County
My Commission Expires Sept. 21, 2007

Member, Pennsylvania Association of Notaties

November 3, 2003

EXHIBIT 1

SUBMITTED REAL ESTATE

ALL THAT CERTAIN piece, parcel or tract of land situated on the West side of Campbelltown Road, S.R. 3019, located in North and South Londonderry Townships, Lebanon County, Pennsylvania, being known as Overall Resultant Tract of Arbor Greene, as shown on a Plan of Arbor Greene, prepared by ELA Group, Incorporated, said tract being more fully bounded and described as follows:

BEGINNING at a nail in Palmyra Road, said point being a corner of lands now or formerly of Robert W. & Judith A. Hoke; thence extending along lands of Hoke, the two (02) following courses and distances: [1] South eighty-eight (88) degrees fifty-three (53) minutes twenty-eight (28) seconds West, a distance of one hundred seventy-two and nineteen hundredths (172.19) feet to a pipe; and [2] South one (01) degree six (06) minutes thirty-two (32) seconds East, a distance of eighty and zero hundredths (80.00) feet to a point in line of lands now or formerly of Gregory A. Bell; thence extending along the same, South eighty-eight (88) degrees fifty-three (53) minutes twenty-eight (28) seconds West, a distance of two hundred seventy-two and thirty hundredths (272.30) feet to an iron pin in line of lands now or formerly of Daryl L. Alger; thence extending along the same, and along lands now or formerly of TDS Partners, respectively, North fifty-two (52) degrees fifty-six (56) minutes twenty-four (24) seconds West, a distance of one thousand seven hundred twenty-two and seventy-five hundredths (1722.75) feet to an iron pin, a corner of Wheatstone Subdivision; thence extending along the same, the two (02) following courses and distances: [1] North fourteen (14) degrees three (03) minutes forty-six (46) seconds East, a distance of two thousand sixty-seven and seventy-three hundredths (2067.73) feet to a point; and [2] North forty-six (46) degrees twenty-five (25) minutes fifty-five (55) seconds West, a distance of six hundred twenty-five and fifty-three hundredths (625.53) feet to an iron pin, a corner of lands now or formerly of Joseph M. & Muriel D. Parrell; thence extending along the same, and along lands now or formerly of Ernest P. & Josephine V. Kline, respectively, North sixty-one (61) degrees seven (07) minutes nine (09) seconds East, a distance of two hundred sixty-three and thirty-five hundredths (263.35) feet to a point, a corner of lands now or formerly of Warren L. & Margaret M. Lewis; thence extending along the same, the three (03) following courses and distances: [1] South twentyeight (28) degrees fifty-six (56) minutes fifty (50) seconds East, a distance of ninety-five and thirtysix hundredths (95.36) feet to an iron pin; [2] North sixty-four (64) degrees three (03) minutes ten (10) seconds East, a distance of one hundred fifty and fifty-four hundredths (150.54) feet to an iron pin; and [3] on a line curving to the left, having a radius of five hundred fifty-five and zero hundredths (555.00) feet, an arc length of one hundred six and seventy-nine hundredths (106.79) feet, a chord bearing of North fourteen (14) degrees two (02) minutes twelve (12) seconds West, and a chord distance of one hundred six and sixty-two hundredths (106.62) feet to a point, a corner of Mark Street; thence extending along Mark Street, North fifty (50) degrees fourteen (14) minutes forty-six (46) seconds East, a distance of fifty-two and ninety-eight hundredths (52.98) feet to a point; a corner of lands now or formerly of Joseph F. & Patricia I. Lauck; thence extending along the same, the three (03) following courses and distances: [1] on a line curving to the right, having a radius of six hundred five and zero hundredths (605.00) feet, an arc length of one hundred nineteen and eight hundredths (119.08) feet, a chord bearing of South fifteen (15) degrees thirty-eight (38) minutes thirty-six (36) seconds East, and a chord distance of one hundred eighteen and eighty-nine hundredths (118.89) feet to a point; [2] North sixty-four (64) degrees three (03) minutes ten (10)

seconds East, a distance of one hundred fifty-seven and seventy-four hundredths (157.74) feet to a point; and [3] North twenty-eight (28) degrees fifty-six (56) minutes fifty (50) seconds West, a distance of one hundred twenty-three and eighty hundredths (123.80) feet to an iron pin, a corner of lands now or formerly of George J. Jr. & Carol A. Hollich; thence extending along the same, and along lands now or formerly of Steven J. & Kathryn P. Foltz, respectively, North sixty-one (61) degrees seven (07) minutes ten (10) seconds East, a distance of two hundred twenty-five and zero hundredths (225.00) feet to an iron pin; thence continuing along lands of Foltz, and extending along lands now or formerly of Catharine C. & Earl S. Smith, respectively, North eighty-eight (88) degrees thirty (30) minutes forty (40) seconds East, a distance of one hundred twenty and forty-five hundredths (120.45) feet to a point, a corner of Locust Street; thence extending along Locust Street, South eighty-five (85) degrees nineteen (19) minutes forty-one (41) seconds East, a distance of sixty and sixty-six hundredths (60.66) feet to an iron pin, a corner of lands now or formerly of Darrell C. Eckert; thence extending along the same, North eighty-seven (87) degrees eight (08) minutes eighteen (18) seconds East, a distance of one hundred thirty-five and thirty-five hundredths (135.35) feet to a point in line of Lot 210; thence extending along the same, the two (02) following courses and distances: [1] South three (03) degrees twenty-one (21) minutes sixteen (16) seconds East, a distance of three hundred seven and sixty-eight hundredths (307.68) feet to a point; and [2] North eighty-eight (88) degrees twenty-two (22) minutes fifty-three (53) seconds East, a distance of five hundred eighty-nine and five hundredths (589.05) feet to a point on the existing West right-of-way line of Campbelltown Road, S.R. 3019; thence extending along the same, South one (01) degree thirty-seven (37) minutes seven (07) seconds East, a distance of sixty-five and ninety-eight hundredths (65.98) feet to an iron pin; thence extending North eighty-eight (88) degrees nineteen (19) minutes twenty-one (21) seconds East, a distance of eighteen and zero hundredths (18.00) feet to a nail in the centerline of Campbelltown Road; thence extending in and along the same, the two (02) following courses and distances: [1] South one (01) degree thirty-seven (37) minutes seven (07) seconds East, a distance of one thousand five hundred eight and thirteen hundredths (1508.13) feet to a nail; and [2] South one (01) degree nineteen (19) minutes thirty-seven (37) seconds East, a distance of one thousand nine hundred forty-seven and zero hundredths (1947.00) feet to the place of BEGINNING.

CONTAINING 118.4331 Acres

BEING PART OF THE SAME PREMISES which Fulton Financial Advisors, successor to Fulton Bank, Executor of the Estate of Ethel Light Lewis, deceased, by deed dated even date herewith and intended for immediate recording in the Office for the Recorder of Deeds in and for Lebanon County, Pennsylvania, granted and conveyed unto Arbor Greene Partners, LP, a Pennsylvania Limited Partnership, its successors and/or assigns.

AND BEING THE SAME PREMISES which Alvin B. Lewis, Jr. and Elizabeth O. Lewis, his wife; Alvin B. Lewis, Jr. and Warren L. Lewis, Trustees of the Ethel L. Lewis Irrevocable Trust U/A dated December 13, 1985 f/b/o Elizabeth L. Levengood; and Alvin B. Lewis, Jr., Trustee of the Ethel L. Lewis Irrevocable Trust U/A dated December 13, 1985 f/b/o Warren L. Lewis by deed dated even date herewith and intended for immediate recording in the Office for the Recorder of Deeds in

EXHIBIT "A"

and for Lebanon County, Pennsylvania, granted and conveyed unto Arbor Greene Partners, LP, a Pennsylvania Limited Partnership, its successors and/or assigns.

EXCEPTING AND RESERVING THEREFROM that certain tract of land containing 0.124 acres granted and conveyed unto the Pennsylvania Department of Transportation, more fully described as follows: Beginning at a point on the existing legal right-of-way line of Campbelltown Road 795 feet north of the southern line of the lands of the grantor; thence leaving said right-of-way line and crossing the lands of the grantor the following seven courses and distances: 1) South 88 degrees 40 minutes 23 seconds West a distance of 7.00 feet; 2) North 01 degree 19 minutes 37 seconds West a distance of 94.56 feet; 3) South 88 degrees 40 minutes 23 seconds West a distance of 5.00 feet; 4) North 01 degree 19 minutes 37 seconds West a distance of 639.72 feet; 7) North 88 degrees 40 minutes 23 seconds East a distance of 7.00 feet, to a point on the existing legal right-of-way line; thence along said right-of-way, South 01 degree 19 minutes 37 seconds East a distance of 754.28 feet to the point of beginning.

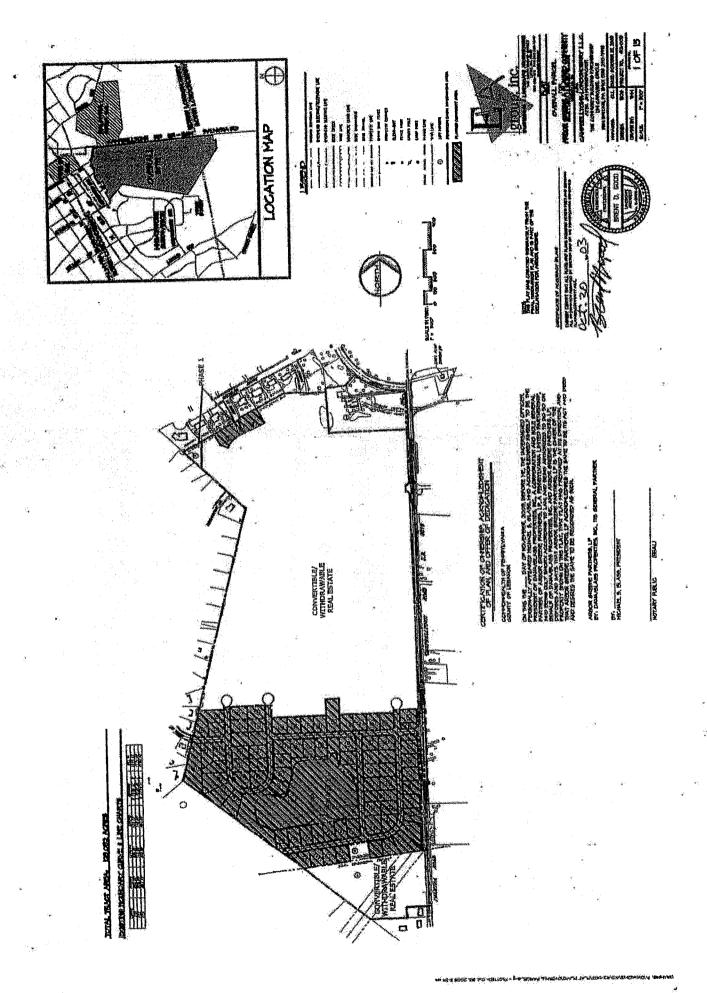
AND EXCEPTING AND RESERVING THEREFROM all that certain piece, parcel or tract of land situated West of Sweetwater Drive, located in North Londonderry Township, Lebanon County, Pennsylvania, being known as Lot A, as shown on a Plan of Arbor Greene - Phase I, prepared by ELA Group, Incorporated, said tract being more fully bounded and described as follows:

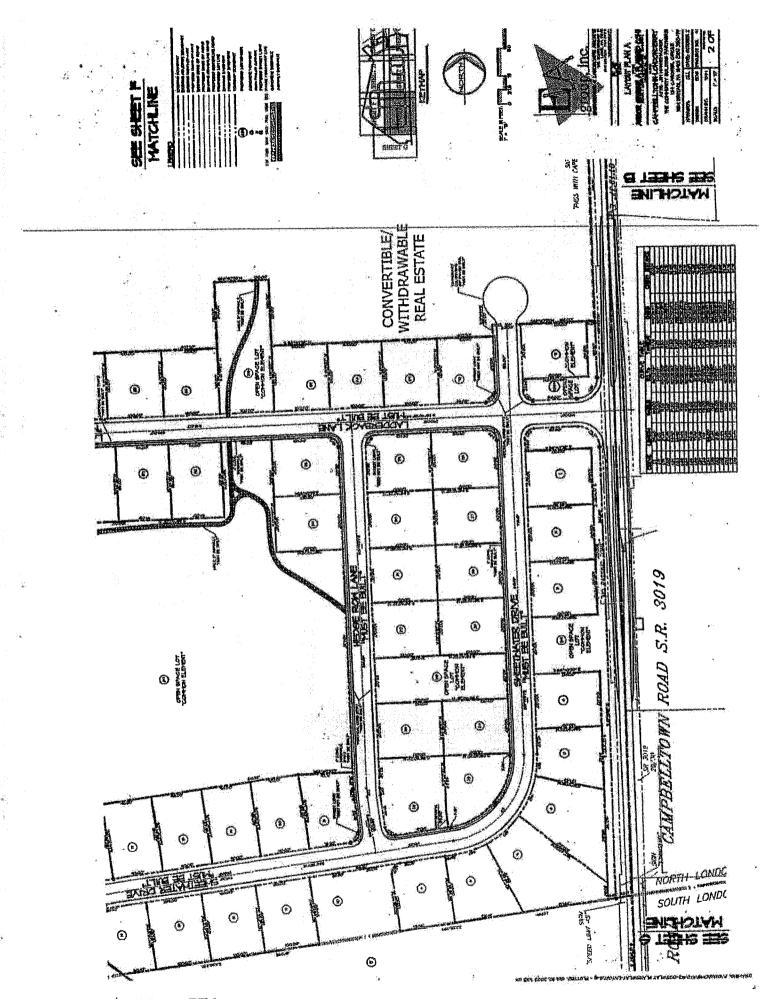
BEGINNING at an iron pin in line of Wheatstone Subdivision, said point being a corner of lands now or formerly of Joseph M. & Muriel D. Farrell, of which this tract is to become a part; thence extending along lands of Farrell, and lands now or formerly of Ernest P. & Josephine V. Kline, respectively, North sixty-one (61) degrees seven (07) minutes nine (09) seconds East, a distance of one hundred fifty-eight and thirty-three hundredths (158.33) feet to a point, a corner of Lot 207; thence extending along the same, and along Lot 208, respectively, South one (01) degree eleven (11) minutes nineteen (19) seconds West, a distance of two hundred four and thirty-five hundredths (204.35) feet to a point in line of Wheatstone Subdivision; thence extending along the same, North forty-six (46) degrees twenty-five (25) minutes fifty-five (55) seconds West, a distance of one hundred eighty-five and forty-nine hundredths (185.49) feet to the place of BEGINNING.

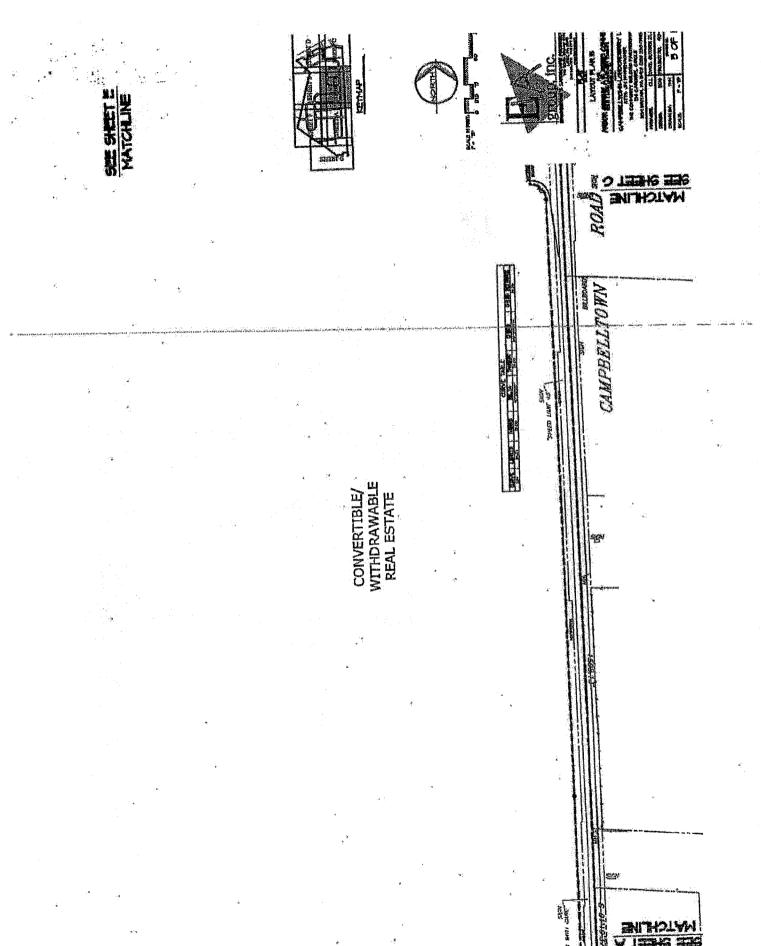
CONTAINING 14,000 Square Feet

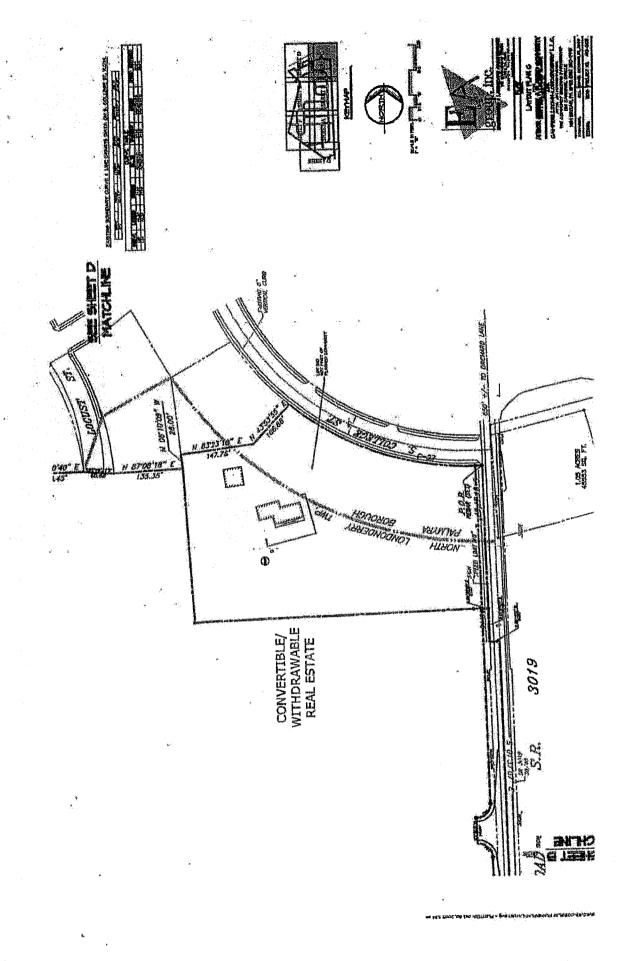
EXHIBIT 2

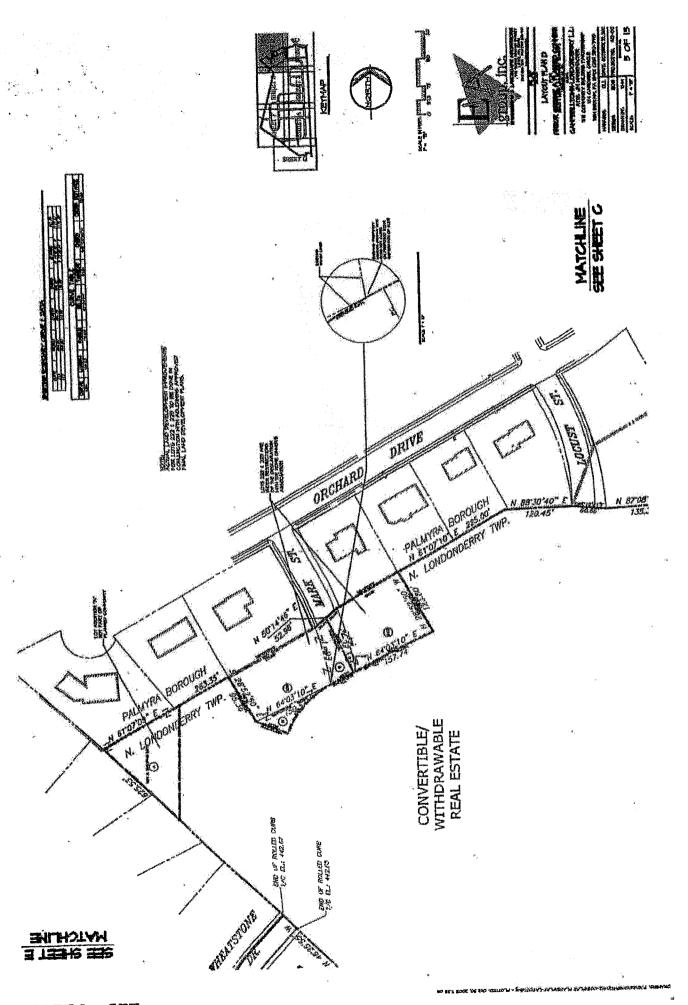
PLAT

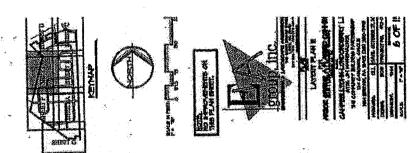








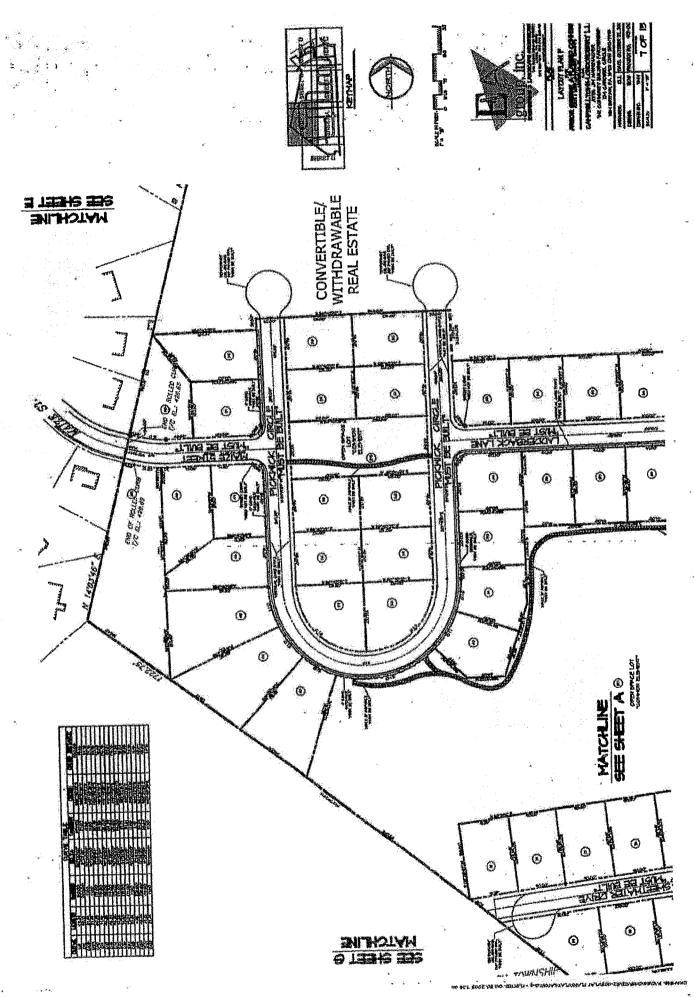


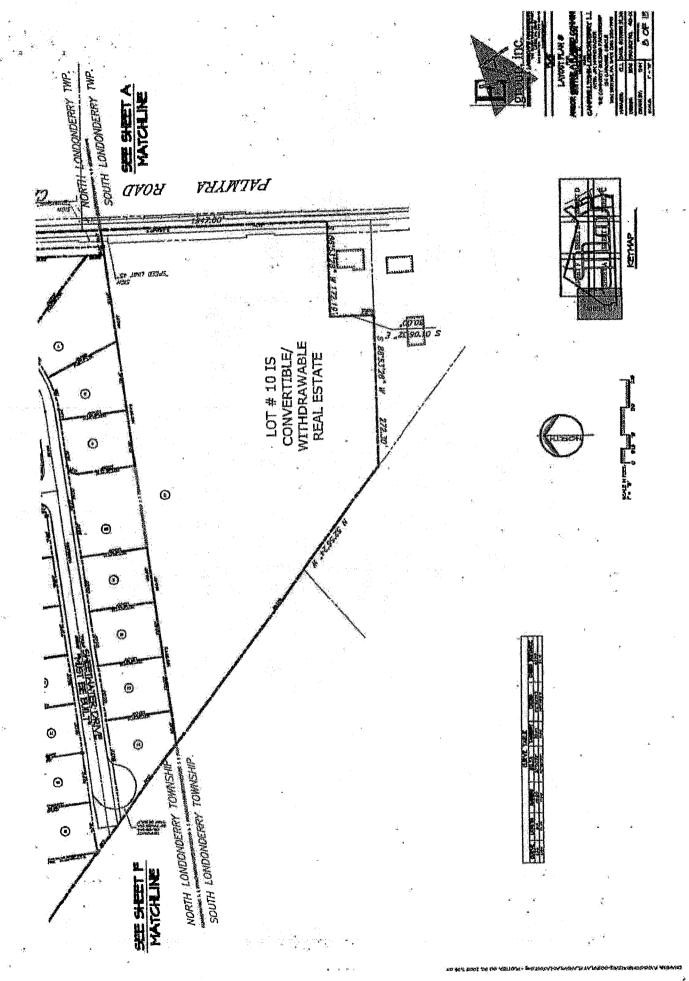


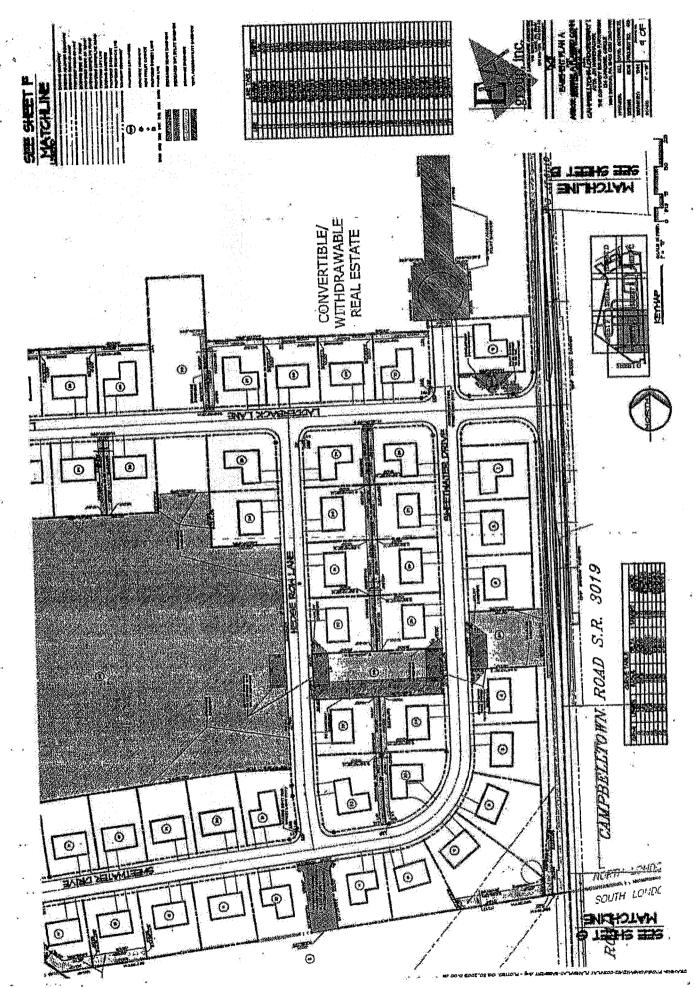
SMIHOTAM O TERMS ERR

CONVERTIBLE/ WITHDRAWABLE REAL ESTATE

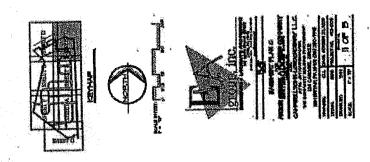
T TEERE ERE ENLHOTAM

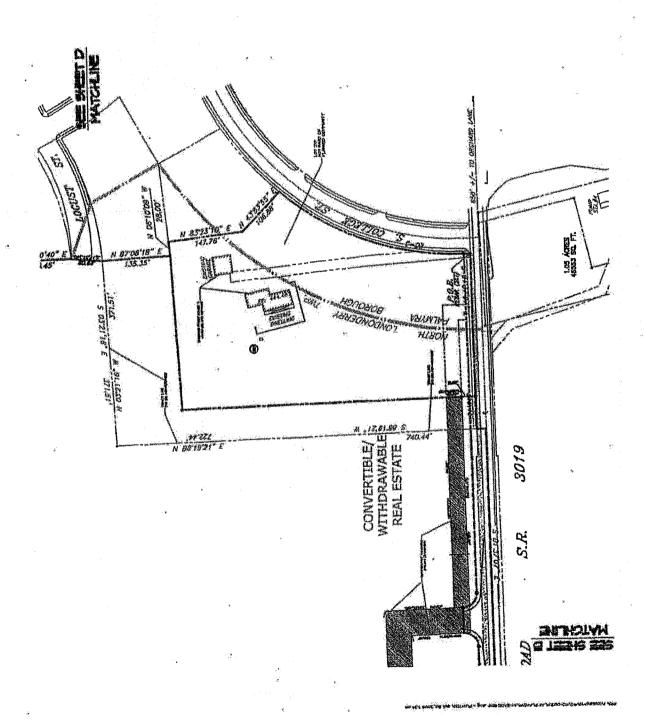


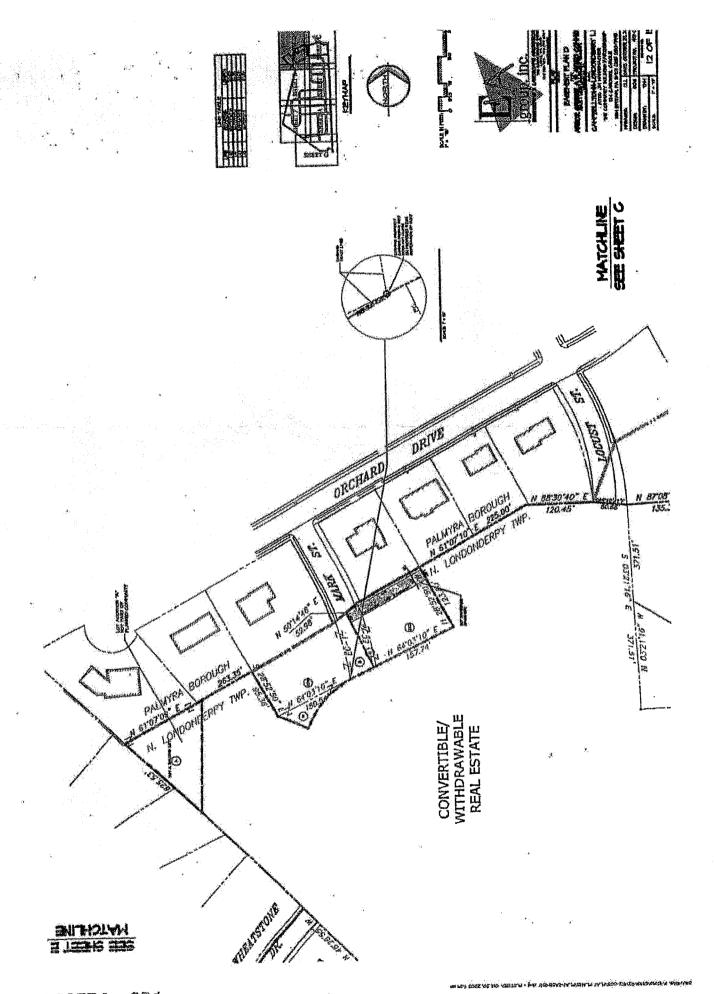


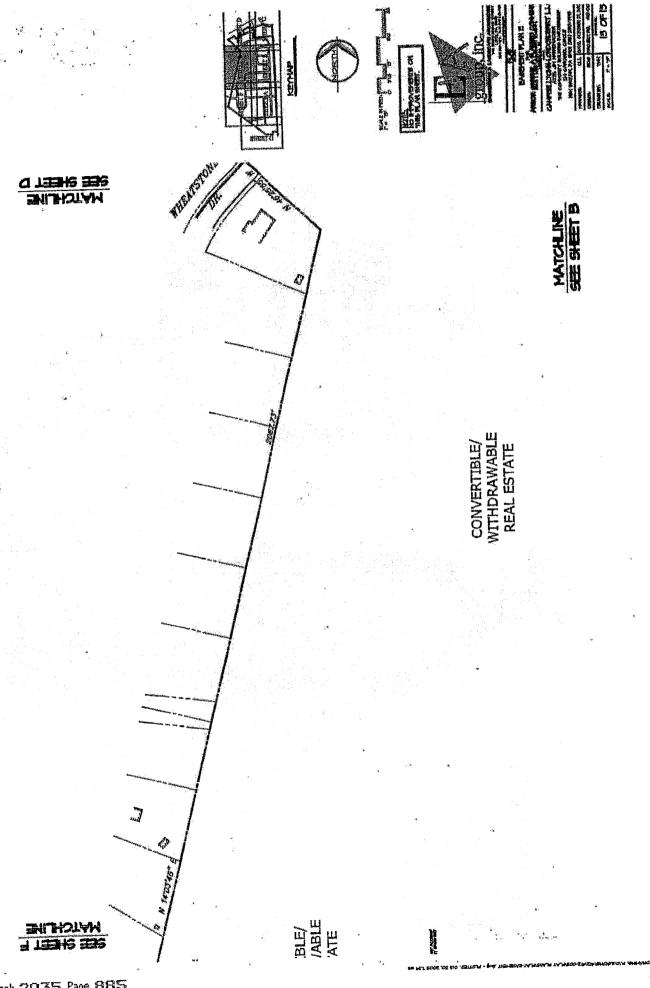


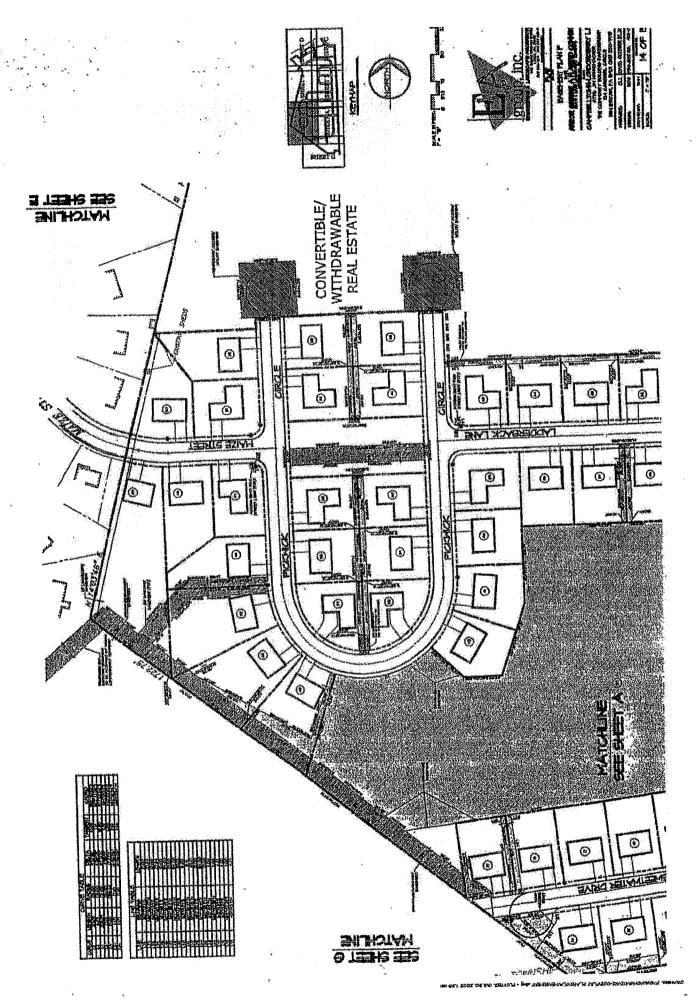
MATCH IN











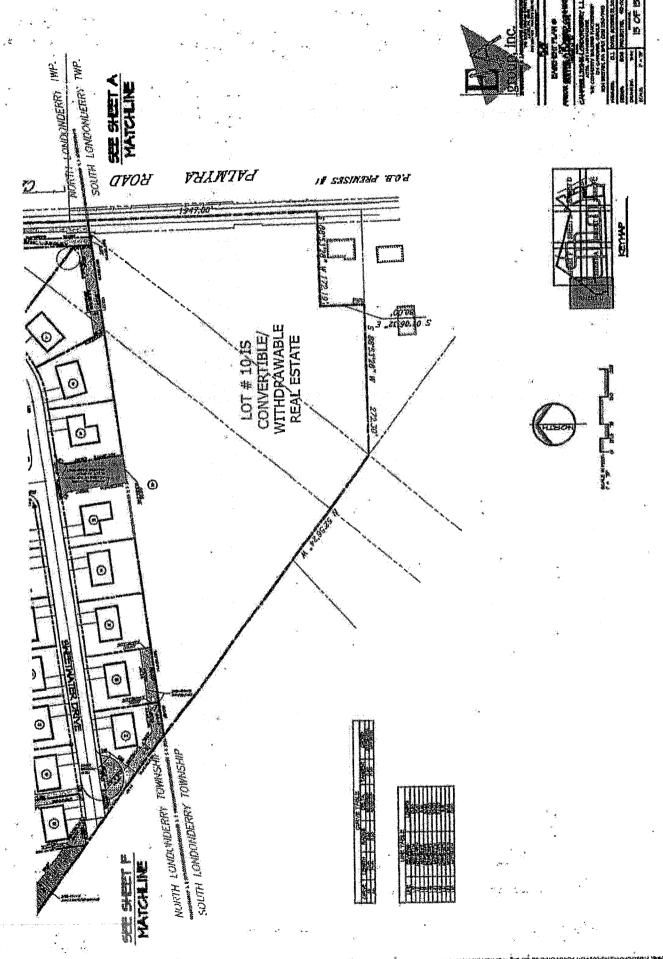


EXHIBIT 3

UNIT IDENTIFYING NUMBERS AND SHARE OF RESPONSIBILITY FOR COMMON EXPENSES

UNIT NUMBER	SHARE OF COMMON EXPENSE	<u>S</u>
1 2 3 4	1.43% 1.43% 1.43% 1.43%	
5 6 7 8 9	1.43% 1.43% 1.43% 1.43% 1.43%	
11 12 13	1.43% 1.43% 1.43% 1.43%	
14 15 16 17 18	1.43% 1.43% 1.43% 1.43%	
19 20 21 22 23	1.43% 1.43% 1.43% 1.43% 1.43%	
24 25 26 27 28	1.43% 1.43% 1.43% 1.43% 1.43%	
29 30 31 32	1.43% 1.43% 1.43% 1.43%	
33 34 35 36 37	1.43% 1.43% 1.43% 1.43%	
38 39 40 41	1.43% 1.43% 1.43% 1.43%	

November 3, 200

		4	
42			1.43%
43			1.43%
44	\$ }		1.43%
45			1.43%
46		· · · · · · · · · · · · · · · · · · ·	1.43%
47			1.43%
48			1.43%
49			1.43%
50			1.43%
51			1.43%
52			1.43%
52 53			1.43%
53 54			1.43%
55°			1.43%
56			1.43%
57			1.43%
58			1.43%
59		*	1.43%
60		and the second of the second o	1.43%
61			1.43%
62			1.43%
63			1.43%
64	7	**	1.43%
65			1.43%
66			1.43%
67			1.43%
68			1.43%
69			1.43%
70			1.43%
70 71			1.43%
/1			
222		*	0 until conditions set forth in
Sint last dent		* **	Section 2.1 have occurred
223		٠	0 until conditions set forth in
الما الما الما		ä	Section 2.1 have occurred
		•	

EXHIBIT C

BYLAWS OF

ARBOR GREENE HOMEOWNERS ASSOCIATION

ARTICLE 1 – Introductory Provisions

- 1.1 <u>Applicability.</u> These Bylaws provide for the governance of the Association pursuant to the requirements of Section 5306 of the Pennsylvania Uniform Planned Community Act, 68 P.S. Section 5101, *et seq.*, as amended (the "Act"), with respect to the Planned Community created by recordation of the Declaration among the records of the Lebanon County Recorder of Deeds in Book 2035, page 844 (the "Declaration").
- 1.2 **<u>Definitions.</u>** 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.
- 1.3 <u>Compliance.</u> Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.
- 1.4 **Office.** The office of the Community, the Association, 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.
- 1.5 <u>Incorporation of Statutory Law.</u> Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Non-Profit Corporation Law of 1988 of the Commonwealth of Pennsylvania, 15 PA C.S. Section 5101 *et seq.*, as it may be amended from time to time (the "Corporation Law"). The "Board of Directors" described therein shall be referred to herein and in the Declaration as the "Executive Board."

ARTICLE 2 - The Association

2.1 <u>Composition.</u> The Association has been organized as a Non-Profit Corporation under the laws of the Commonwealth of Pennsylvania. The Association shall consist of all of the Unit Owners acting as a group and through the Executive Board in accordance with the Act, the Declaration and these Bylaws. The Association shall have the responsibility of administering the Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Community and performing all the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration. The foregoing responsibilities shall

be performed by the Executive Board or Managing Agent as more particularly set forth in these Bylaws.

- Annual Meeting. The annual meetings of the Association shall be held on the first Monday of April 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 (subject to Article XIII of the Declaration) and such other business as may properly eome before the meeting may be transacted.
- 2.3 <u>Place of Meetings.</u> Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.

2.4 Special Meetings.

- 2.4.1 The President shall call a special meeting of the Association 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 (25%) 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 percent (25%) of the Units to Owners other than the Declarant, a special meeting of the Association shall be held at which twenty-five percent (25%), but not fewer than one, of the members of the Executive Board designated by the Deelarant shall resign (such members to be selected by the Declarant), and the Unit Owners, excluding the Declarant as a Unit Owner, shall thereupon elect successor members of the Executive Board to act in the place and stead of each member resigning. Within sixty (60) days after conveyance of fifty percent (50%) of the Units to Owners other than the Declarant, if at least thirty-three percent (33%) of the members of the Executive Board were not elected by Unit Owners other than the Declarant, another special meeting of the Association shall be held and members of the Executive Board shall resign (to be designated by the Declarant) so that remaining members appointed by the Declarant constitute no more than sixty-seven percent (67%) of the total members of the Executive Board, and the Unit Owners, excluding the Declarant as a Unit Owner, shall thereupon elect successor members of the Executive Board to act in the place and stead of the resigning members. Such successor members, in each instance, shall serve until the annual meeting of the Association following the meeting at which they were elected.

- 2.4.3 Within the earlier of (a) seven (7) years after the date of the first conveyance of a Unit to a person other than the Declarant, or (b) sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Owners other than the Declarant, or (c) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business or last exercised its right to add new Units to the Community, all the members of the Executive Board shall resign and the Unit Owners, including the Declarant with respect to Units owned by the Declarant, shall thereupon elect a new Executive Board, not fewer than a majority of whom must be Unit Owners (or authorized representatives of the Unit Owners that are not natural persons). Of the elected members, one-third (or the percentage closest to one-third) receiving the highest numbers of votes shall serve until the third annual meeting of the Association following the date of the election pursuant to this Section 2.4.3 above, the one-third (or percentage closest to one-third) receiving the next highest numbers of votes shall serve until the second annual meeting of the Association following the date of the election, and the remaining members shall serve until the first annual meeting of the Association following the date of the election.
- 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 Association is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.
- 2.5 <u>Notice of Meetings.</u> The Secretary shall give to each Unit Owner a notice of each annual or regularly-seheduled meeting of the Association at least ten (10) but not more than sixty (60) 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 8.1 of these Bylaws shall be considered service of notice.
- 2.6 <u>Adjournment of Meetings.</u> 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.
- 2.7 **Voting.** Each Unit Owner shall be entitled to one vote for each Unit owned at all meetings of the Association. If the owner of a Unit is a corporation, limited liability company, or partnership, the natural person who shall be entitled to cast the vote for such Unit shall be the natural person named by such entity pursuant to its governing documents and certified as such to the Association. 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 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 east the vote of such Unit shall be the natural person owning such Unit who I present. If more than one 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 east 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 twenty percent or more of the aggregate votes in the present is required to adopt decisions at any meeting of the Association. In all elections for Executive Board members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election one vote for each Unit owned. Those candidates for election received the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be eleeted to the longest terms. Except as set forth in Section 2.4.2, if the Declarant owns or holds title to one 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.

- 2.8 **Proxies.** A vote may be cast in person or by proxy. If a Unit is owned by more than one 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 year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.
- 2.9 **Quorum.** Except as set forth below, the presence in person or by proxy of Unit Owners holding twenty percent or more of the aggregate votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners Association.
- 2.10 <u>Conduct of Meetings.</u> The President (or in the President's absence, one of the vice-presidents) shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book of 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 Association. The then current edition of Robert's Rules of Order shall govern the eonduet of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Aet. All votes shall be tallied by tellers appointed by the President.

ARTICLE 3 - Executive Board

- 3.1 <u>Number and Qualification.</u> The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of not fewer than three or more than nine members, as determined by the Executive Board, all of whom shall be natural persons, Unit Owners, designees of Unit Owners who are not natural persons, or designees of the Deelarant.
- 3.2 <u>Delegation of Powers; Managing Agents.</u> The Executive Board may employ for the 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 Association bank accounts;
 - 3.2.4 To borrow money on behalf of the Association;
 - 3.2.5 To acquire and mortgage Units
 - 3.2.6 To designate Reserved Common Elements
 - 3.2.7 To allocate Limited Common Elements.

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

3.3 Election and Term of Office.

- 3.3.1 At the annual meeting of the Association, subject to Article XIII of the Declaration and Section 2.4 of these Bylaws, 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 3.5 hereof) shall be fixed at three 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:
- 1. Any Unit Owner may submit to the Secretary at least thirty days before the meeting at which the election is to be held a nominating petition signed by five or more Unit Owners, 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

- 2. 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 person has been nominated by petition.
- 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 Association duly called, any one 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 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 at any time and from time to time until the required resignation date specified in Section 13.1 of the Declaration.
- 3.5 <u>Vacancies.</u> 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. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.
- Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within ten 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.
- 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 every six months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or facsimile, at least three business days prior to the day named for such meeting.

- 3.8 Special Meetings. Special meetings of the Executive Board may be called by the President on at least three business days' notice to each member, given by mail or facsimile, 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 members of the Executive Board.
- 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.
- 3.10 Quorum of the Executive Board. At all meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business, and 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 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.
- 3.11 <u>Compensation.</u> No member of the Executive Board shall receive any compensation from the Association for aeting as such, but may be reimbursed for any expenses incurred in the performance of his duties.
- 3.12 <u>Conduct of Meetings.</u> The President, or in his absence any viee-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.
- 3.13 <u>Action Without Meeting.</u> 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.
- 3.14 <u>Validity of Contracts with Interested Executive Board Members.</u> No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm or association in which one 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 Association at the time it is authorized, approved or ratified.
- 3.15 <u>Inclusion of Interested Board Members in the Quorum.</u> 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 4 – Officers

- 4.1 <u>Designation.</u> The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint a vice president, an assistant treasurer, an assistant secretary and such other officers as in its judgement may be necessary. The President and vice president, if the office is ereated, shall be members of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.
- 4.2 <u>Election of Officers.</u> 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.
- 4.3 <u>Removal of Officers.</u> 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 ealled for such purpose.
- 4.4 **President.** The President shall be the ehief executive officer of the Association, preside at all meetings of the Association 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 Association. The President shall cease holding such office as such time as the President ceases to be a member of the Executive Board.

- 4.5 <u>Vice President.</u> Upon the ereation of the office of 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.
- 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Association 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 to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to Sections 5315(h), 5407(a) and 5407(b) of the Act and Sections 5.6 and 5.11 below.
- 4.7 <u>Treasurer.</u> The Treasurer shall have the responsibility for the safekeeping of Association 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 Association 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.
- 4.8 **Execution of Documents.** All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$500 shall be executed by any two officers of the Association. All such instruments for expenditures or obligations of \$500 or less may be executed by any one officer of the Association.
- 4.9 <u>Compensation of Officers.</u> No officer who is also a member of the Executive Board shall receive any compensation from the Association 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 5 - Common Expenses; Budgets

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 recordation of the Declaration.

5.2 Preparation and Approval of Budget.

- 5.2.1 On or before the first day of November of each year (or sixty 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 eontaining an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Executive Board to maintain, repair and replace, 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 Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Common Elements and the Association. 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 day of November (or fifty-five 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 Common Expenses 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 Within thirty days after creation of Units in any Convertible Real Estate or the expiration of any right of the Declarant to withdraw Withdrawable Real Estate, the Executive Board shall revise the budget to reflect changes in the Common Expenses resulting from such conversion or expiration of rights to withdraw Withdrawable Real Estate and to reflect the proportionate liability of all Units for Common Expenses for the remainder of the fiscal year in which such events occur. The amount of assessments attributable to each Unit thereafter shall be the amount specified in the adjusted budget until a new budget has been adopted by the Executive Board.
- 5.2.4 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.

5.3 Assessment and Payment of Common Expenses.

5.3.1 <u>Common Expenses.</u> The Executive Board shall calculate the quarter annual assessments for Common Expenses 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 Share of Common Expenses allocated to such Unit, and dividing the resultant product by (c) the number of calendar quarter years in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on an annual basis payable in

quarterly installments, shall be due and payable on the first day of each calendar quarter (January 1, April 1, July 1, October 1) and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within one hundred eighty (180) 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 each fiscal year less expenditures actually incurred and sums paid into reserves, together with any other financial reports required by the Act. Any net shortage with regard to 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 shares of Common Expenses and shall be payable in one or more quarter-annual assessments, as the Executive Board may determine.

- 5.3.2 <u>Reserves.</u> 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 Common Expense which shall be assessed against the Unit Owners either according to their respective shares of the Common Expenses, and shall be payable in one or more quarter annual assessments as the Executive Board may determine.
- Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.3.1 or 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 quarterly 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.
- 5.5 <u>Initial Budget.</u> 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 fiseal 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.
- 5.6 <u>Delivery of Approved Budget and Notice of Capital Expenditure; Effect of Failure to Prepare or Adopt Budget.</u> 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.
- 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.
- 5.8 **Rejection of Budget.** Anything herein to the contrary notwithstanding, the Association, by majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board, within thirty days after approval by the Executive Board at a special meeting properly called for such purpose.
- 5.9 Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article 5. 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 within ten (10) 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 5315(b) 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 purehaser at a foreclosure sale, shall take the Unit fee 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.
- 5.10 <u>Collection of Assessments.</u> 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 remains 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 percent (5%) of the overdue assessment in addition to interest at the rate of fifteen percent (15%) per annum or such other rate as may be determined by the Executive Board.
- 5.11 Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, contract 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 6 - Compliance and Default

- 6.1 **Relief.** Each Unit Owner shall be governed by, and shall comply with, all of the terms of the 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 <u>Additional Liability.</u> 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, or occupancy of any Unit or Common Elements. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.
 - 6.1.2 <u>Costs and Attorney's Fees.</u> 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 Association, 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 Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, 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 Association, 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 eumulative and the exercise of any one 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 Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein or the breach of any provision of the Deelaration or the Aet shall give the Executive Board the right, in addition to any other rights to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE 7 – Amendments

- 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 Association, except as otherwise expressly set forth herein or in the Act; provided, however, that until the date on which all Deelarant-appointed Board members voluntarily resign or are required to resign pursuant to Article XIII of the Declaration, (i) Section 2.4, (ii) Section 3.1, and (iii) this Section 7.1 may not be amended without the consent in writing of the Declarant, and further, these Bylaws may not be modified or amended prior to the date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to Article XIII of the Deelaration if, at the time of such amendment or modification, any Unit is encumbered by a mortgage in favor of or insured by the Veteran's Administration (VA), the Federal Housing Administration (VHA), or through a similar program administered by the Department of Housing and Urban Development (HUD) if so required under regulations relating thereto.
- 7.2 Approval of Mortgagees. These Bylaws contain provisions eoncerning 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.
- 7.3 FNMA, FHLMA, FHA, VA Amendments. If any amendment to these Bylaws is necessary in the judgement of the Executive Board to cure any ambiguity or to correct or supplement any provision that is defective, missing or inconsistent with any other provision, or with the Act or the Declaration, or if such amendment is necessary to conform to the then current requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or deeds of trust on units in community projects, including but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, the Federal Housing Administration or the Veteran's Administration, the Executive Board may, at any time and from time to time, effect such amendments without the approval of the Unit Owners or the holders of any liens on all or any part of the Community, 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 the Act.
- 7.4 Amendments to the Declaration. Any two officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE 8 – Miscellaneous

- 8.1 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 Association, 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 Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.
- 8.2 <u>Captions.</u> 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.
- 8.3 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 eontext so requires.

ADOPTED THE	DAY OF	, 2004.
	2111 01	, = 0 0 11

EXHIBIT D

AGREEMENT FOR THE SALE OF REAL ESTATE

TH	IS AGREEMENT OF SALE made this	day of, .					
1.	PARTIES: The "Seller" is Berks Construction of the Seller of	uction Co., Inc., d/b/a Berks Homes, a Pennsylvania c 540-7931.	corporation located at				
	Work Phone for;	Work Phone for:					
	Fax # for	Home Phone : Best # to reach :					
	E-mail:	Best # to reach:					
2.	Dwelling to be erected thereon and all pern final plan of the subdivision known as ("Property"), but the property of the subdivision known as ("Property"), but the subdivision known as ("Property").	and Buyer is purchasing from Seller, the piece of groumanent fixtures installed therein, known as Homesite #, recorded in the Office of the Recorder of Deeds of the subject to the terms and conditions of this Agreement of the system, constructed in accordance with the plans	, as shown on the County, PA, and of Sale. The dwelling				
3.	TERMS:						
	A. Purchase Price: dollars, which s	shall be paid by Buyer and divided as follows:					
		and we disting it will be supplied to the control of the control of	•				
	C. Homesite Premium		\$				
	D. Options E. Allowances		\$				
	Total Purchase Price		\$ \$ 0.00				
	Buyer shall pay Seller the foregoing total ar		\$ 0.00				
	E. Deposit at signing of this Agreement of		\$				
	F. NON-REFUNDABLE OPTION MO		13.				
		ions is equal to fifty percent of total options selected.					
		ept as specifically provided for in this Agreement of					
	Sale. This payment is due on or bef	fore	\$				
	G. Cash or cashier's check at time of settle		\$ 0.00				
	H. Transfer taxes will be equally shared by						
		parges shall be apportioned and adjusted between Buyer					
		date and time of settlement, with Seller responsible for such charges up to and including the date of settlement and Buyer responsible for all charges applicable thereafter. Buyer is solely responsible for any additional assessments					
		om construction of the dwelling and ancillary improvement					
		rty (30) days of settlement shall be paid by cash or cashier					
		and the second s					
4.		ect to the terms and conditions of this Agreement of Sal	e, is estimated to be				
	made:	to the (1) Selection College selections are committed as	od (O) if alastad the				
		te the (1) Selection Gallery selections are completed an atisfied and removed, whichever occurs later (but in no					
		Mortgage Contingency extend beyond thirty (30) days					
	Agreement of Sale is signed) and if app		,				
	B in the case of a quick delivery.						
	Saller shall determine the event settlemen	ant data time and location and aire Direct at least 4-	n (10) davaitt				
	notice of the same. Seller may delay the s not ready for settlement (including but not governmental permitting issues). In such	ent date, time and location and give Buyer at least te settlement date set forth in 4A or 4B above for any reason limited to circumstances involving weather, strikes, lock case of delay, the time period for settlement may be exact settlement is delayed beyond this additional ninety (90)	on if the Dwelling is cout, labor shortages, stended for up to an				
	parties shall refer to paragraph Eighteen (18		day portod, mon me				
	I to become the contract (10	-,					

C. In the event settlement is delayed due to Buyer's actions or failures to timely perform, without limiting or waiving any of Seller's remedies set forth in this Agreement of Sale, the parties agree that Seller shall have the right, but not the obligation, to extend the settlement date. In such event, Buyer hereby agrees that Buyer shall pay to Seller, as liquidated damages and not as a penalty, an extension fee equal to eighty-five dollars (\$85) per day until settlement is consummated

by the parties or until this Agreement of Sale is terminated by Seller without prejudice to any other rights or remedies of Seller under the Agreement of Sale. Buyer's payment of said extension fee shall be made at time of settlement or upon written demand by Seller. Buyer shall also be solely liable to the mortgage lender, title company or any other third party for damages resulting from Buyer's breach and any subsequent termination of this Agreement of Sale.

MORTGAGE FINANCING CONTINGENCY:

	Buver	Agreement of Sale is NOT contingent upon any mortgage financing. has requested that this Agreement of Sale be contingent upon a mortgage financing commitment being
	receiv	red by Buyer as set forth herein. Buyer shall use best efforts to apply for and receive the following mortgage ring commitment(s) from a reputable lender or lenders in the amount(s) and pursuant to the terms as set forth
	below	
	A.	First Mortgage on the Property:
		(1) Loan Amount: \$
		(2) Minimum Term of years
		(3) Type of Mortgage:
		(4) Mortgage Lender: Berks Mortgage Services, LLC OR Other:
		(5) Interest Rate of %; provided, however, Buyer agrees to accept the interest rate as may be
		committed to by the mortgage lender, not to exceed the maximum interest rate of%, with
		discount points, loan origination, loan placement and other fees charged by a mortgage lender as a
		percentage of the mortgage loan (excluding any mortgage insurance premiums or VA funding fee) not
		to exceed% (0% if not specified) of the mortgage loan.
	n	Second Mortgage on the Property OR Not Applicable:
	В.	
w. -		(1) Loan Amount: \$
		(3) Type of Mortgage:
		(4) Mortgage Lender: Berks Mortgage Services, LLC or Other:
		(5) Interest Rate of%; provided, however, Buyer agrees to accept the interest rate as may be committed to by the mortgage lender, not to exceed the maximum interest rate of%, with
		discount points, loan origination, loan placement and other fees charged by a mortgage lender as a
		percentage of the mortgage loan (excluding any mortgage insurance premiums or VA funding fee) not
		to exceed% (0% if not specified) of the mortgage loan.
	C.	If this Agreement of Sale is contingent upon Buyer receiving mortgage financing, Buyer must submit a
	٥.	fully completed, written application to a reputable lender to obtain financing in accordance with the
		foregoing terms within 10 (ten) days of Seller's execution of this Agreement of Sale.
	rs.	Mortgage Commitment Date: The Buyer shall deliver a mortgage commitment no later than
	D.	Mongage Communication Date: The Buyer shall derive a mortgage communication no fact than
	E.	Upon receipt of a mortgage commitment on or before the Commitment Date set forth above that meets the
	.3	financial terms set forth above in this paragraph 5, this contingency is deemed satisfied and removed from
		the Agreement of Sale. The Buyer shall provide Seller with a signed copy of the commitment within five
		days if its receipt. The financial terms of this paragraph 5 are met if the lender offers at the time of the
		commitment being received by Buyer a loan(s) with an interest rate and fees at or below the maximum
		referenced above. Buyer must make whatever arrangement Buyer wishes in order to guarantee the interest
		referenced above. Buyer must make whatever an angelment buyer wishes in order to guarantee his interest.
		rate through the date of actual settlement and Buyer bears all risk that rates may increase. Buyer must sign
		and return the commitment to the lender with a copy to the Seller no later than the Commitment Date. In
		the event that Buyer's mortgage commitment contains any condition(s), contingency(s) or other
		obligation(s), including but not limited to the sale of Buyer's house, Buyer agrees that Buyer is expressly

i. Buyer is expressly responsible for meeting said condition(s), contingency(s) or obligation(s); and,

responsible for meeting said condition(s), contingency(s) or obligation(s). Nonetheless, in the event that Buyer's mortgage commitment contains any condition(s), contingency(s) and/or other requirements

ii. Seller may (despite Buyer signing and returning the commitment) within ten days of receipt of said signed commitment from Buyer, reject the signed commitment if it contains conditions, contingencies and/or other requirements (including but not limited to the sale of Buyer's house or other real estate) that Seller finds unacceptable in Seller's sole and absolute discretion. In the event Seller rejects the commitment, the Buyer and Seller shall proceed pursuant to paragraph 5(G)(i) as though the Mortgage Financing Contingency was not satisfied.

involving the sale of Buyer's house or other real estate, Buyer agrees that:

- F. THIS MORTGAGE FINANCING CONTINGENCY IS DEEMED SATISFIED AND REMOVED FROM THE AGREEMENT OF SALE IF, ON OR BEFORE THE DATE BUYER'S COMMITMENT IS DUE, BUYER RECEIVES A WRITTEN COMMITMENT FOR A LOAN ON THE TERMS SET FORTH HEREIN. ONCE THE FINANCING CONTINGENCY IS DEEMED SATISFIED, THE BUYER IS IN DEFAULT IF BUYER'S FINANCING IS LOST OR BUYER FAILS TO COMPLETE SETTLEMENT BASED ON LACK OF FINANCING.
- G. (i) If, despite Buyer's best efforts, Buyer does not obtain a mortgage financing commitment in accordance with the terms set forth above, Buyer must notify Seller on or before the date for Mortgage Financing Commitment that the Mortgage Financing Contingency is not satisfied. In the event that the Buyer timely notifies the Seller that Buyer is unable to obtain an acceptable commitment, then in absence of notice from Seller pursuant to subparagraph 5(G)(ii), the Seller shall refund to Buyer all deposits made, at which time the Agreement of Sale shall be considered void, other than any indemnity obligations owed by Buyer to Seller under paragraph 12 of the Agreement of Sale.
 - (ii) Alternatively, the Seller may notify Buyer in writing within ten days of Buyer's notice that Buyer could not obtain an acceptable mortgage commitment, that Seller will attempt to obtain a commitment on behalf of Buyer from a reputable lender (or offer such loan itself) that would meet the terms of this Agreement of Sale. Buyer hereby gives Seller the right, as Seller's sole and absolute discretion and option, and as permitted by law and the mortgage lender(s), to contribute financially, without promise of reimbursement, to the Buyer and/or the mortgage lender(s) to make the above mortgage term(s) available to Buyer. If Seller does not notify Buyer within thirty days of Seller's initial notice to Buyer under this subparagraph (ii) that Seller has obtained such a commitment, the Seller shall refund to Buyer all deposits made, at which time the Agreement of Sale shall be considered void, other than any indemnity obligations owed by Buyer to Seller under paragraph 12 of the Agreement of Sale. If Seller does obtain such a commitment for Buyer, then pursuant to paragraphs 5(E) and (f), this mortgage financing clause is considered satisfied and the Buyer shall sign the commitment and return it to the Lender.
- H. In the event that settlement occurs later than the Estimated Settlement Date, and Seller is not in default of the Agreement of Sale, Buyer shall be solely responsible to obtain an extension of the mortgage lender's commitment expiration date and any interest rate required by this Agreement of Sale and any costs associated with any of the foregoing. Buyer shall not be excused from completing the purchase of the Property or from fulfilling any other obligation to Seller, in accordance with this Agreement of Sale, as a result of (1) the failure of any condition, contingency or obligation to be fulfilled or performed by Buyer or by any third party, including but not limited with respect to any mortgage lender, (2) the expiration of Buyer's mortgage financing commitment prior to settlement, or (3) any change in interest rates or other market conditions prior to the settlement date.
- I. THE FAILURE OF BUYER TO (i) PROVIDE TO THE SELLER AN ACCEPTABLE WRITTEN COMMITMENT OR (ii) NOTIFY THE SELLER THAT IT COULD NOT OBTAIN AN ACCEPTABLE COMMITMENT OR (iii) TIMELY PERFORM OR OTHERWISE FAIL TO PERFORM OR MEET THE REQUIREMENTS OR OBLIGATIONS UNDER THIS MORTGAGE FINANCING CONTONGENCY SHALL CONSTITUTE A DEFAULT BY BUYER UNDER THIS AGREEMENT OF SALE AND THE SELLER SHALL HAVE THE REMEDIES SET FORTH IN PARAGRAPH 17 OF THIS AGREEMENT OF SALE. NO NOTICE TO CURE IS REQUIRED BY SELLER FOR ANY DEFAULT BY BUYER UNDER PARAGRAPH 5 OF THIS AGREEMENT OF SALE.
- J. Under no circumstances is Seller obligated to escrow any funds at settlement. In the event that Buyer's lender requires the escrow of any funds, Buyer shall be solely responsible to provide such funds.
- 6. RISK OF LOSS: Seller shall bear risk of loss to the Property and the Dwelling from fire or other casualties not caused by Buyer until settlement. In the event fire or other casualty not caused by Buyer damages the house, the time periods for Seller to deliver the house for settlement under paragraph 4 above may be extended for up to an additional one hundred twenty (120) days. In the event Seller has not delivered the Property and Dwelling complete within this additional one hundred twenty (120) day time period, Buyer may at Buyer's election, terminate the Agreement of Sale with a full refund of all deposit and options monies paid and there shall be no further liability between the parties. Alternatively, Buyer may remain under Agreement of Sale and proceed under paragraph Eighteen (18) below if Seller has not delivered the Property and Dwelling Complete within two years of the date the Buyer signed the Agreement of Sale. Buyer may insure Buyer's equitable interest in the Property or Dwelling pending settlement.

7. SITE PLANNING:

- A. Seller may, in its sole and absolute discretion, or as may be required by approved plans or applicable laws, make any decisions pertaining to the depth of excavations, rough grading, finish grading and placement and orientation of the Dwelling on the Property, as well as the final placement of utility meters, circuit breakers, conduits, transformers or other devices for delivery of utility services, and basement doors. At Seller's sole discretion, Seller may as a courtesy only to Buyer, meet with Buyer to review the foregoing before Seller finalizes decisions regarding the same.
- B. At the completion of construction, Seller shall machine rake any ground areas that have been disturbed during construction of the home one time only. Seller shall have no responsibility for soil erosion or washing resulting from any weather conditions after settlement. Buyer shall be solely responsible for any retaining walls desired by Buyer or ground cover, other than a one-time grass seeding by Seller. Buyer shall be solely responsible for watering, fertilizing, re-seeding where necessary, and maintenance of the foundation grade.

C. Seller will install property pins one time only, after a majority of the homesites in a phase have been permanently

graded and seeded, but in no event more than 1 (one) year following settlement.

- D. On wooded lots, Seller will attempt to preserve as many trees as practical and disturb the wooded area as little as possible. At the Seller's sole discretion, any or all trees within up to thirty (30) feet of the Dwelling and/or driveway area may be removed. Additionally, any tress that would, in Seller's sole judgment, interfere with the features provided for on the approved subdivision and/or grading plan for the lot may also be removed, even if said tree(s) are further than thirty (30) feet from the Dwelling and/or driveway area. Logs, at Buyer's request and with Seller's approval, will be either cut into approximately 10' to 12' lengths and piled on the Property, or removed by Seller. Seller makes no guarantee for continued healthy growth of trees left in place.
- 8. SUBSTANTIAL COMPLETION: The Property and the Dwelling will be substantially completed on or before the settlement date. The Dwelling shall be deemed "substantially complete" when (a) it is materially in accordance with the plans and specification, (b) connection to all utilities including sewer, water, electricity, telephone and natural gas (if applicable) have been made, and (c) a Certificate of Occupancy (temporary or final) has been issued by the township (if one is required) to Seller. By way of example and not limitation, completion of final grading, construction of sidewalks, planting of grass, any landscaping or paving of the driveway shall not be necessary to deem the Dwelling or the Property substantially complete. If any such matters remain unfinished at the time of settlement, Seller shall complete them within 60 (sixty) days after settlement, unless delayed due to weather or other forces beyond Seller's reasonable control or delayed for reasons related to time of season (for instance Buyer is notified that driveways are dependant on the macadam supplier being open).

9. SELECTIONS, OPTIONS AND CHANGES:

- A. Time Period for making Selections and Options: Buyer shall select any additional structural options at the time the Agreement of Sale is signed, but in no event later than seven (7) days of Buyer's signing of this Agreement. Otherwise, Buyer shall complete all selections and options at "The Selection Gallery by Berks Homes" for construction of the dwelling, including but not limited to all color selections, kitchen cabinets, floor coverings, counter tops, vanities and appliances (the "Selection Gallery") by _____ and during regular Section Gallery hours. Within this time, the Seller and the Buyer shall memorialize all Buyer's Selection Gallery selections and, thereafter, no further modification or changes to the Selection Gallery selections shall be made by Buyer or shall be approved by Seller. In the event of Buyer's failure to timely make all selections, Buyer will be in default of this Agreement of Sale.
- B. Availability of Selections, Options and Changes: Seller shall construct those selections and options as are set forth on (i) Exhibit A of this Agreement of Sale, (ii) the Selection Gallery selections, and (iii) any written change orders signed by both parties.

Seller shall have no obligation to consent to any requests for any selections or options not made within the time periods set forth in this paragraph 9(B) of the Agreement of Sale. Any change requested by Buyer after the expiration of these time periods must be agreed to by Seller in Seller's sole discretion and shall be considered an "option". If Seller thereafter fails to install that option, Buyer will be given a credit for the cost of the option and the Seller shall be responsible to install whatever the Agreement of Sale required prior to the change.

In the event Seller shall at any time determine that the selections or options made by Buyer are incompatible with Seller's plans and specifications for the model home selected by Buyer, Seller shall notify Buyer of any increased costs associated with adjusting such plans and specifications to accommodate Buyer's selections or options. In the event such modification shall result in increased costs, Buyer shall have the option of: (a) paying Seller such increased costs for such modification upon demand, or (b) eliminating the selection or option which gave rise to the increased cost. Buyer's failure to pay the additional amount to Seller within five days of demand, as provided herein, shall be deemed a waiver of such request and shall result in the automatic deletion of said item.

C. Payment of Options: Buyer shall pay, no later than the time period set forth in Paragraph 3F, fifty percent (50%) of the cost charged by Seller for the total of all options. Once this payment is made, it is non-

refundable in all events (including if Buyer does not obtain a mortgage commitment), unless Seller is in default.

- D. <u>Variations</u>: Exact colors as displayed in any model, brochure or other description are not guaranteed. Seller reserves the right to approve all exterior colors.
- 10. INSULATION: Seller will install insulation in accordance with the standard feature specification sheet, receipt of which is acknowledged by Buyer.
- 11. SUBSTITUTIONS: Seller may substitute materials of like quality or structural strength at its sole option. Where the substitution involves an option specifically selected by Buyer, Seller shall notify Buyer prior to making the substitution and discuss possible alternatives. Nonetheless, Seller retains final authority to make the substitution if the specific option selected by Buyer is not readily available.

12. INSPECTIONS:

- A. Buyer has the right to inspect the Property at three stages of construction. The Buyer may, at Buyer's sole expense, also arrange to have a professional home inspector accompany Buyer. Any professional home inspection of the Property shall be pursuant to the Pennsylvania Home Inspection Law (68 P.S.7501) and shall be performed by a full member in good standing of a national home inspection association, or by a person supervised by a full member of a national home inspection association, in accordance with the ethical standards and code of conduct or practice of that association and who is insured as required under said Home Inspection Law. If Buyer elects to have a home inspection pursuant to the Pennsylvania Home Inspection Law, the home inspector shall accompany Buyer on the three inspections set forth below. If the professional inspector notes any item(s) that Buyer wishes Seller to review or take action on, the Buyer must within five days of the inspection occurring provide Seller with a complete copy of the inspection report for Seller's review and a written request of the items Buyer wishes Seller to review or take action on. Seller agrees to review the report and Seller, in Seller's sole discretion, will decide what corrective action, if any, is required. The three stages of inspections that Buyer (and if Buyer elects, Buyer's professional home inspector) may inspect are as follows:
 - (1) Prior to drywall installation. This inspection will permit the Buyer to inspect electrical outlet locations, insulation and review previously selected structural options with the superintendent. Buyer will be given a minimum of five (5) days notice prior to the day the property may be inspected. If Buyer fails to perform/attend inspection(s), this inspection right shall be deemed to be waived by Buyer.
 - (2) After finish mechanicals. This inspection allows Buyer to verify all finish items installed which are described on the selection sheet, review final grading, driveway and service walk layouts, along with any outstanding construction issues with the superintendent. Buyer will be given a minimum of five (5) days notice prior to the day the property may be inspected. If Buyer fails to perform/attend inspection(s), this inspection right shall be deemed to be waived by Buyer.
 - (3) Orientation and pre-settlement inspection. Upon substantial completion, Seller shall notify Buyer and Buyer may make a pre-settlement inspection of the Property and Dwelling at a mutually convenient time within ten (10) days of Seller's notice. Appointments are available Monday through Friday, 8:00am to 2:00pm. Warranty information, operation and maintenance of all systems shall be reviewed at such pre-settlement inspection. Any items needing correction, unfinished or back-ordered items shall be noted by the parties. At this final inspection, Buyer understands that Buyer must inspect for the following, and Seller shall not be responsible for any of the following, unless agreed to in writing at the time of inspection:
 - (a) Blemishes in the appearance of interior or exterior finished surfaces
 - (b) Chipping of tile, counter tops, vanities, or fiberglass units
 - (c) Broken glass or torn screens
 - (d) Flaws in trim
 - (e) Blemished appliance finishes
 - (f) Missing items
 - (g) Stains or damage to flooring

Moreover, even if noted, Seller is not responsible for correction of the foregoing where the alleged item falls within the tolerances provided for by the applicable manufacturer or by the National Association of Home Builder Guidelines or where Seller can bring the item into tolerance with either of the foregoing.

B. Any visitation at the Property by Buyer during the term of this Agreement of Sale that is authorized under this Agreement of Sale is nonetheless at Buyer's own risk, it being understood that an ongoing construction site is a dangerous place. In addition to Buyer's visitation for the three inspections set forth in paragraph 12(A), as a courtesy to Buyer and not as an obligation, Seller shall attempt to provide Buyer access to the Property for up to three other visits. Any such visits shall be at Seller's discretion and Buyer shall provide Seller at least twenty four hours (and in no event less than one business day) notice prior to the requested visit time period. Any visit shall be limited to a time period of twenty minutes on site. Seller does not guarantee that any specific visit shall be provided

- for. A logbook shall be kept by Seller and Buyer and Seller shall sign the log book to signify Seller's written consent for any such additional visit and Seller shall accompany Buyer on said visit.
- C. Buyer (and anyone on Buyer's behalf) shall also not communicate with or otherwise disturb Seller's workers or contractors. Buyer shall direct all questions concerning the construction work to Seller or Seller's authorized agent.
- D. Buyer understands that during construction, and prior to settlement, the Lot and Dwelling buyer is purchasing is a worksite, and that dangerous conditions may or do exist on the site that could subject the Buyer or anyone Buyer brings with Buyer or allows to enter the site to suffer injury or death. Buyer agrees that Buyer shall not attempt (and shall not cause or allow anyone else with or on Buyer's behalf) to enter the Property during construction unless accompanied by a representative of Seller and with Seller's express prior written consent, so that Seller can prepare the premises for Buyer's (and anyone with or on behalf of Buyer) inspection or entry. Buyer hereby indemnifies and holds harmless Seller, Berks Real Estate Services, LLC, and all other brokers and their respective licensees, employees, agents, shareholders, directors, officers, and members, and their respective heirs, personal representatives, successors and assigns, from and against any and all claims, losses, damages or liens which arise as a result of the Buyer's violation of this paragraph, including but not limited to any and all claims for death or injury to persons or damage to property arising out of or as a result of any such activities. This indemnity shall apply to any violation of this paragraph, even where Seller or Seller's agents have been negligent in maintaining the work site or Lot, it being understood that Buyer's unauthorized entry prevents or impedes Seller's ability to inspect the site for safety prior to Buyer's entry and correct any hazardous condition. Buyer's foregoing indemnity shall survive the date of Closing, or any termination of this Agreement of Sale.
- 13. FINAL CLEANING: Seller will clean all interior surfaces, exclusive of light fixtures. Seller shall not clean the exterior of the Dwelling. Once the Dwelling has received its final cleaning, the Buyer may not have access to the Dwelling until the Orientation and Pre-Settlement Inspection.
- 14. TITLE AND COSTS: Seller either has legal title to the Property under Agreement of Sale or Seller represents Seller has the contractual rights with the actual legal title holder to sell the Property.
 - A. At settlement, Seller (or if Seller is not in legal title at that time, then the legal title holder) shall convey title, subject as set forth herein, by simple deed of special warranty, tender possession of the Property and Dwelling, and provide any keys that have been made.
 - B. At settlement, Buyer shall pay Seller the remaining balance of the purchase price and all other monies owing to Seller pursuant to this Agreement of Sale.
 - C. Seller will convey the property free and clear of all monetary liens and encumbrances, EXCEPTING HOWEVER, the following: existing building restrictions; Declaration for any Homeowner's Association, if any; any title matter set forth in the Public Offering Statement, if applicable; ordinances; protective covenants or like items recorded or to be recorded as set forth in the Homeowner Association documentation provided to Buyer; items set forth in the Recorded Plan for the Community or Property; easements of roads; privileges or rights of public service entities or utility companies, if any; easements, rights of way or other matters which are visible upon the ground or shown on any plan reviewed by Buyer; the right reserved to the Seller to dedicate any portion of the Property lying within the proposed right-of-way lines of any streets or other public facilities. Otherwise, title to the Property shall be good and marketable, or such as will be insured as marketable, by a reputable title insurance company at standard rates.
 - D. Buyer, promptly upon Seller's request and without any additional consideration, shall join in any instrument or deed necessary or appropriate to effectuate any street dedication. This duty shall survive settlement.
 - E. Buyer and or Buyer's title company shall be solely responsible for any and all charges related to settlement of this transaction that are not by law or as specified hereunder Seller's responsibility. These include, but are not limited to, the cost of any (1) premiums for mechanic's lien insurance or title insurance, (2) title search or cancellation fees, fire, hazard or flood insurance premiums or insurance binder or cancellation charges, (3) appraisal fees, (4) termite inspections or certifications, sewer certifications, water certifications, tax certifications and re-inspection fees, if any, (5) Domestic Relations Certificate and Insured Closing Letter, (6) county/school tax releases, (7) certificate of substantial completion(s), (8) recording fees for Buyer's Deed and mortgage, (10) courier or delivery charges, (11) deed preparation. Seller shall pay the cost of recording the release(s) for any mortgage Seller may have on the Property. Buyer acknowledges and agrees that Seller will obtain a payoff (and make the required payment) for settlement of the Property from any such mortgage lender for any mortgage Seller has on the Property. Buyer agrees that the said release(s) may not be filed of record until after settlement occurs when the mortgage(s) are satisfied for the entire development. Buyer will notify Seller in writing if Buyer needs the mortgage(s) released of record prior to this time and Seller agrees to cause a release to be filed within thirty days thereafter.
 - F. Seller shall provide, at no additional charge, a standard survey of the Property if required by Buyer's title insurer for the preparation of an adequate legal description of the Property. Buyer shall pay Seller for the cost of any survey of the Property required by Buyer's mortgage lender.

15. TITLE INSURANCE: Buyer may order title insurance from any company of Buyer's choice. In conjunction with the purchase of the Property described herein Buyer hereby requests Berks Real Estate Services, LLC to order title insurance through Freedom Settlement Company, LLC. Freedom Settlement Company, LLC, is a company partially owned by Berks Real Estate Services, LLC. does not request Berks Real Estate Services, LLC to order title insurance through Freedom Settlement Company, LLC. In such case, Buyer shall, within sixty (60) days following execution of this Agreement, order and obtain a title insurance commitment from the title company chosen by Buyer and shall deliver a copy thereof to Seller within this sixty (60) day period. In the event Buyer shall fail to order and obtain a title insurance commitment (or otherwise notify Seller that no title insurance is requested) within the time period set forth herein, Buyer hereby requests Seller, without further notice to Buyer, to order such title commitment and title insurance from Freedom Settlement Company, LLC Buyer further acknowledges and agrees that any costs or charges from any title company selected by Buyer are the responsibility of Buyer. Should Buyer fail to deliver a title commitment from Buyer's selected title insurer and Seller orders and arranges for title insurance, any cancellation fees charged are the responsibility of Buyer. Buyer is advised that mortgage lenders routinely require title insurance and that in any event Buyer may and should obtain an owner's title policy in the minimum amount of the purchase price, irrespective of whether a mortgage is obtained, in order to properly protect Buyer's interests. Buyer desires title insurance and requests Seller to order title insurance from Freedom Settlement Company, LLC, who shall also conduct settlement. Buyer does not desire title insurance. Buyer shall notify Seller within sixty (60) days from execution of this Agreement of Sale the name of the title company chosen by Buyer. Should Buyer fail to notify Seller within time frame, Buyer authorizes Freedom Settlement Company, LLC to provide title insurance and conduct closing. (Initials) 16. HEATING FUEL SERVICE OR TANKS: The Property is serviced by natural gas. Buyer will arrange to have service for natural gas placed in Buyer's name on the date of settlement. This Property is serviced by a heat pump. This Property is serviced by propane gas; Buyer hereby acknowledges and agrees to the following: A. The house being erected will be serviced by propane for heating and hot water (and gas service for cooking and/or dryer if elected as an Option by Buyer). Buyer understands that Seller has arranged with an outside __, (the Propane Supplier) to provide said propane to Buyer after settlement. In consideration of Buyer agreeing to purchase propane from said Propane Supplier, for a term of years following settlement, Buyer is not being charged for the propane tank and the line from the propane tank to the dwelling as set forth in the attached Agreement from the Propane Supplier. Buyer agrees to purchase propane from the Propane Supplier according to the terms and conditions of the certain agreements from the Propane Supplier and to execute the agreements as are required prior to settlement and to be bound by the same. Buyer understands that if propane service is not purchased according to the terms of the attached agreements, a charge may be made by the Propane Supplier for the propane tank and/or propane line to the dwelling, which charge is the responsibility of the Buyer and not the responsibility of Seller. Buyer has read the following agreements, understands them and agrees to them: Seller shall provide a full tank (that being considered a tank filled to approximately eighty percent of capacity) of propane gas at settlement and Buyer shall be directly billed for the cost of such fuel at or after settlement by the propane supplier. 17. DEFAULT BY THE BUYER: Should Buyer fail to do anything that is required of Buyer under this Agreement of Sale, including but not limited to (i) failing to make any payments required, (ii) violating any of the conditions or covenants of this Agreement of Sale, or (iii) failing for any reason other than a Seller default to complete settlement according to the terms and conditions of this Agreement, the Buyer shall be in default. If Buyer is in default, Seller shall (unless the Agreement specifically states otherwise) provide ten (10)days written notice to cure for the first such default, and if the default is not cured within the ten (10) day period, Buyer default shall be final and Seller may retain as liquidated

G. If Seller is unable to deliver title in accordance with the obligations set forth in this Paragraph 14, Seller shall be in

default, and Buyer shall have the remedies set forth in Paragraph 18 of this Agreement of Sale.

H. Formal tender of an executed deed and purchase money is hereby waived.

price, and (2) the amount of any options or changes paid by

damages and not as a penalty: (1) deposit payments made by Buyer, but not more than ten percent (10%) of the purchase

Buyer. In addition, Buyer shall be responsible for payment of the full price of any options ordered by Buyer not yet paid for and for any obligations of indemnity and/or legal fees as may be provided under separate paragraphs of this Agreement of Sale. The remedies set forth in this paragraph are Seller's sole remedy for Buyer's default. Seller shall not

be responsible for serving more than one notice to cure on Buyer, it being understood that after the first notice to cure is sent pursuant to this Agreement and should Buyer cure, any subsequent default shall not entitle Buyer to any further notice to cure, but instead Seller may simply provide notice of the default and that the default is final. Alternatively, Seller may provide another notice to cure at Seller's discretion.

If the notice to cure is for the failure of Buyer to complete settlement on the date set by Seller, and Buyer completes settlement during the time period allowed by the notice to cure, Buyer shall nonetheless be obligated to pay the Seller the sum of \$85.00 per day for each day of delay past the original settlement date specified by the Seller to compensate Seller for loss of funds from settlement.

18. OBLIGATIONS OF SELLER/DEFAULT BY THE SELLER:

- A. OBLIGATION TO BUILD DWELLING AND IMPROVEMENTS WITHIN TWO YEARS: Seller unconditionally agrees to complete Buyer's dwelling and related improvements (the home) within two (2) years from the date Buyer signs the Agreement of Sale. The Seller's agreement to complete the home within the said two year period provides the Seller with what is known as the "Improved Lot Exemption" from the Interstate Land Sales Act. Should Seller fail to complete the house and related improvements within this two (2) year time period, this Agreement of Sale shall not be construed to limit Buyer's remedies, and all legal and equitable remedies under the law are available to Buyer, including but not limited to a suit for specific performance and/or damages.
- B. SELLER DEFAULT FOR ANYTHING OTHER THAN THE FAILURE TO BUILD THE HOUSE WITHIN TWO YEARS: If prior to settlement, Buyer claims Seller is in default for failing to meet any obligation(s) under this Agreement of Sale other than Seller's failure to complete the house within two (2) years from the date Buyer signed the Agreement of Sale (which is governed by sub paragraph (a) above), Buyer agrees to provide Seller a written notice setting forth Buyer's claims in writing within five days (5) days of Buyer first becoming aware of the alleged default under the Agreement of Sale. The notice shall state that Buyer considers the Seller in default of the Agreement of Sale and that Buyer is providing Seller ten (10) days written notice to cure the default, which ten days commences upon Seller's receipt of the notice. Seller shall thereafter notify Buyer in writing within ten (10) days of receipt of Buyer's notice of whether Seller contests Buyer's notice of default. If Seller contests the notice of default, the burden falls on Buyer to prove Seller's default and either party may proceed with legal action concerning the dispute subject to Paragraph 33 of this Agreement of Sale. Otherwise, if Seller does not dispute the default, then:
 - (1) In the case of the Seller's failure to meet the settlement time frames set forth in Paragraph 4 above (i.e. the estimated settlement date plus ninety (90) days), Seller shall complete the settlement of the Property within the ten day cure period set forth in Buyer's notice. If Seller fails to so complete the settlement within said ten (10) day period, Seller is in default entitling Buyer to the remedies under 18(B)(3) below.
 - (2) Where the default is for something other than the failure of the Seller to meet the settlement time frame required by Paragraph 4(B) above, Seller will cure the default prior to settlement (or as soon thereafter is as reasonably possible if the default does not prevent the house from being substantially completed as required in this Agreement) and the terms and conditions of this Agreement of Sale will remain in full force and effect or Seller will notify Buyer within ten days of receipt of Buyer's notice of default that Seller has decided not to cure the default. If Seller notifies Buyer that Seller is not willing to cure the default alleged by Buyer, Seller shall notify Buyer in the same notice as to what, if any, remedial steps Seller is willing to perform. Thereafter, Buyer shall have five days from receipt of Seller's notice to elect to either terminate the Agreement or to nonetheless proceed under the Agreement of Sale with whatever remedial action, if any, Seller has agreed to take, and in such case Buyer waives any claim for the default. In such event Seller must still complete the Buyer's home within two years of the date Buyer signed the Agreement of Sale, and if the Seller fails to do so, the parties shall proceed under Paragraph 18(a).
 - (3) If Buyer terminates the Agreement of Sale as allowed under this paragraph 18(B) as provided above or if Seller is found in default in any legal action pursuant to this paragraph 18(B), all deposit monies and option monies paid to Seller shall be returned (without interest) to Buyer. Additionally, in the case of such termination, Seller shall pay Buyer the sum of \$2,500.00 as liquidated damages for the default. In such event of termination or default, neither Seller nor Buyer shall have any further liability to each other (excepting only any indemnity obligations and legal fee obligations owed by Buyer to Seller under this Agreement of Sale) and the Agreement of Sale shall be considered terminated. The remedies set forth herein for Buyer are Buyer's sole remedies under paragraph 18(B).

- 19. WARRANTY: Warranties and Disclaimers of Warranties: Seller hereby provides the following warranties, subject to certain disclaimers and limitations, as set forth or referenced herein:
 - A. Subject to the limitations hereinafter set forth, Seller expressly warrants (such warranty to survive settlement), in lieu of any other warranties or representations expressed or implied, that it will correct any structural defect(s) in the Dwelling or other improvements conveyed for a period of two (2) years from the date of settlement, provided such defects are called to the attention of Seller no later than five (5) business days from the end of the two (2) year warranty period and provided that the defects are not otherwise excluded below.

As used herein, the term "Structural Defect" shall have the meaning given to it by § 5103 of the Uniform Planned Community Act, codified at 68 Pa.C.S.A. § 5102, et seq., which definition is as follows: "defects in any structure which is a component of (1) any unit or common element or (2) any other portion of a unit or common element constructed, modified, altered or improved by or on behalf of a declarant; any of which reduce the stability or safety of the structure below accepted standards or restrict the normal intended use of the structure and require repair, renovation, restoration or replacement." As used in this definition, the word "Declarant" means Seller.

- B. Seller also warrants, subject to the exclusions and limitations set forth below, that
 - (1) for a period of one year after settlement, the Dwelling and Improvements conveyed will meet the Performance Guidelines of the National Association of Homebuilders in effect at the time the Agreement of Sale is signed and
 - (2) it will correct any material defect(s) in the improvements erected by Seller for a period of one (1) year from the date of settlement, provided such defects are called to the attention of Seller no later than five (5) business days from the end of the one (1) year warranty period and provided that the defects are not otherwise excluded below. A defect under this one year warranty shall be considered a condition that would be considered in the residential construction industry for the area the home is built to result from improper workmanship or material(s).
- C. Exclusions from both Two Year Structural and One Year Building Warranty: The following are excluded from both the Two Year Structural Warranty and the One Year Building Warranty, unless required by law to be covered under the Uniform Planned Community Act, codified at 68 Pa.C.S.A. § 5102, et seq.:
 - (1) Damage caused by Acts of God or casualty loss;
 - (2) Damage caused by the owner or other third parties;

- (3) Damage to the House or improvements sold under this Agreement of Sale that result from reasons other than Seller's use of defective building materials or products, and/or Seller's improper workmanship;
- (4) Damage or resultant damage to any property or possessions of Buyer or any item or thing not delivered by Seller as part of this Agreement of Sale; and
- (5) Re-painting of any drywall repaired pursuant to Performance Guidelines 9-6-2 and 9-6-7 of the National Association of Homebuilders, including repainting of any area where drywall cracks or nail pops are repaired.
- D. Limitation on Liability for Breach of Warranty: The sole liability of Seller for a violation of any warranty provided by Seller is hereby limited to the replacement or correction of the defect(s), and no other claims or demands shall be made by Buyer or required of Seller
- E. Transferability of Warranty: Except for the Two Year Warranty on structural defects, Seller's warranty is not assignable or transferable and is intended to benefit Buyer named in the Agreement of Sale and no one else
- F. Disclaimer of Implied Warranties: The law of Pennsylvania normally implies, in the sale of a newly constructed house, that a Seller gives the home purchaser a warranty of habitability, that is, that the property will be functional and habitable in accordance with contemporary community standards and that the house will be a suitable living unit. The law also implies a warranty of reasonable workmanship, that is, that a home has been constructed in a reasonable manner and is free of both observable and unobservable (latent) defects.

Within this Agreement of Sale, there is a grant of a Two (2) Year/One (1) Year Express written warranty, which is provided in lieu of, and in substitution for, all other warranties, whether express or implied. Therefore, Seller disclaims, and Buyer waives any and all implied warranty of habitability (including potential or actual latent defects), reasonable workmanship, and/or fitness for a particular purpose. Latent Defects are defects which would not be apparent to an ordinary purchaser as a result of a reasonable inspection. As such, Buyer understands that any defects not covered by the Express written warranties contained in this Agreement of Sale are Buyer's responsibility, even if such defects exist in the Property or improvements to the Property at the date of settlement and are not observable or known to Buyer.

Buyer represents this disclaimer and waiver of all implied warranties is a voluntary and free act on the part of Buyer and Buyer understand that this Disclaimer means that Buyer is waiving any implied warranty protections that Buyer may have. This disclaimer of implied warranties shall survive settlement.

By initialing the space immediately located below, Buyer acknowledges it has read and understood this section of the Agreement of Sale and hereby acknowledges Seller's disclaimer and waives any and all implied and/or expressed warranties apart from those express warranties set forth in this Agreement of Sale and agrees that except as set forth above, the Property (which includes all improvements erected by Seller) and conveyed are sold "AS IS", without warranty or representation of any kind, expressed or implied, including without limitation, any warranty or merchantability, fitness for a particular purpose or habitability.

(Initials)

20. CONSUMER PRODUCTS: SELLER'S LIMITED WARRANTY DOES NOT APPLY TO ANY "CONSUMER PRODUCT" AS DEFINED IN THE MAGNUSON MOSS WARRANTY ACT, REGARDLESS OF WHETHER OR NOT ANY CONSUMER PRODUCT IS A PART OF THE PREMISES. NO WARRANTY IS PROVIDED BY SELLER ON ANY CONSUMER PRODUCT. THE SELLER HEREBY ASSIGNS, EFFECTIVE AT SETTLEMENT, ALL WARRANTIES IT HAS RECEIVED FROM THE MANUFACTURER OF CONSUMER PRODUCTS.

21.

				F SEWER.

	Seller represents	that the	Property is	serviced by	Public Sewer.
--	-------------------	----------	-------------	-------------	---------------

- Seller represents that the Property is serviced by an Individual On-Lot Sewage Disposal System. Seller represents that there is no currently existing community sewer system available for the subject Property and a permit for an individual sewage system will have to be obtained pursuant to section 7 of the Pennsylvania Sewage Facilities Act, 35 P.S. § 750.7. The BUYER should contact the local agency charged with administering this act before signing this Agreement of Sale to determine the procedure and requirements for obtaining a permit for an individual sewage system if one has not already been obtained. The Seller shall obtain the permit for the On Lot Disposal System for settlement, which system shall be of a type selected by Seller.
- 23. AGENCY/BROKER RELATIONSHIPS AND COMMISSION: The Business Relationships between the Broker(s) and Seller and Buyer are as follows, UNLESS a different relationship is checked below.
 - A. The Listing Broker is Berks Real Estate Services, LLC, Agent for Seller.

Designated Agent for Seller:

B. The Selling Broker is _____, Agent for Buyer.

B. The Selling Broker is _____, Agent for Buyer.

Designated Agent for Buyer: _____,

So long as Buyer consummates this transaction in accordance with the terms set forth in this Agreement of Sale, Seller agrees to pay _____("Buyer's Broker") _____% of/from the herein specified base elevation price, \$_____, as stated in Section 3(B).

- C. When the Listing Broker and Selling Broker are the same, the Broker is a Dual Agent. Dual Agency applies to all licensees, UNLESS there is a Designated Agent(s) for Seller and a Designated Agent(s) for Buyer. If the same Licensee is designated for Seller and Buyer, the Licensee is a Dual Agent. However, it is the policy of the Seller not to allow dual agency of their Licensees so in no event is Berks Real Estate Services LLC to be considered the Agent for the Buyer.
- D. A Business Relationship exists that is different from above, as CHECKED OFF below:
 - ☐ The Selling Broker is a Transaction Licensee.
- E. Broker(s) may perform services to assist unrepresented parties in complying with the terms of this Agreement but shall not be considered as acting as Agent for Buyer. BUYER ACKNOWLEDGES AND UNDERSTANDS THAT Berks Real Estate Services, LLC AND ITS AGENTS REPRESENT ONLY THE SELLER AND THAT BUYER HAS BEEN GIVEN THE CONSUMER NOTICE REQUIRED BY PENNSYLVANIA LAW ACKNOWLEDGING SUCH RELATIONSHIP AS OF THE DATE OF THIS AGREEMENT OF SALE. Buyer(s) and Buyer's Broker authorizes Seller and/or Seller's Representative to communicate directly with

Buyer(s).

24	DEPOSIT MONIES	AND	OTHER	NOTICES:

- A. DEPOSIT MONIES. Deposit monies shall be paid to Berks Homes and applied to the purchase price at settlement, without interest to Buyer. In lieu of escrowing deposit monies pursuant to 68 Pa.C.S.A 5408(a), Seller has obtained and maintains an irrevocable letter of credit with the Pennsylvania Attorney General's office pursuant to 68 Pa.C.S.A 5408(b).
- B. Monies paid for Options shall not be considered deposit monies and shall not be considered as being held on account of the sale. Rather all monies for options shall be paid directly to Seller and shall be non-refundable except as may be specifically set forth in this Agreement of Sale.
- C. RECOVERY FUND. A Real Estate Recovery Fund exists to reimburse any persons who have obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who have been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658, or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).
- 25. ZONING: Failure of this Agreement of Sale to contain the zoning classification (except in cases where the property [and each parcel thereof, if subdividable] is zoned solely or primarily to permit single-family dwellings) will render this Agreement of Sale voidable at the option of the BUYER, and, if voided, any deposits paid to SELLER by the BUYER will be returned to the BUYER without any requirement for court action. The zoning classification of the Lot is Residential.

26. MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION:

IATE	
A.	grander and the state of the st
В.	responsible for maintaining the common areas in the Community, or other facilities that are owned or managed by the Homeowners Association. The Homeowners' Association will have the authority to assess and collect expenses for the ownership, management, administration and regulation of the common areas, together with the authority to
	promulgate rules and regulations regarding the use, occupancy, and enjoyment of the property in the Community. Buyer hereby acknowledges that purchasing the Property will automatically make Buyer a member of said

Homeowners' Association. This means Buyer will be responsible to pay a monthly and/or annual assessment to the Homeowners' Association, which may increase at any time. Additionally, Seller, on behalf of the Homeowners' Association, shall collect an initial non-refundable common expense contribution at Settlement. This amount is considered working capital and is not an advance of any assessment. Seller may pay the initial assessment on Buyer's behalf, in which case Buyer shall reimburse Seller at settlement. Seller shall provide Buyer with a copy of the actual or proposed Declaration which established the Homeowners' Association, as well as the actual or proposed Bylaws which govern the Homeowners' Association.

Certain planned communities in Pennsylvania, including ones that have recreational facilities that are to be maintained by the Homeowners Association, require that the Seller provide a new construction buyer with a Public Offering Statement. If the Property being purchased herein is part of such a community, the Seller shall supply the Buyer with a Public Offering Statement setting forth details on the Homeowners' Association, including its proposed budget, no later than the time the Agreement of Sale is signed. Buyer shall have seven (7) days to review the Public Offering Statement and related documents and to cancel the Agreement of Sale and receive a full refund of all deposit monies and options monies paid. If Buyer does not cancel the Agreement of Sale within this seven (7) day time period, Buyer will be deemed to have accepted the documents and all terms and conditions set forth therein.

therein.	
A Public Offering Statement is required for this Community. Buyer acknowledges receipt of the (i) Public Offering Statement, (ii) the Declaration and Bylaw proposed budget contained or referenced therein at or prior to signing this Agreement of Salhave seven (7) days to review the Public Offering Statement and related documents and Agreement of Sale and receive a full refund of all deposit monies and options monies paid. not cancel the Agreement of Sale within this seven (7) day time period, Buyer will be deemed to the documents and all terms and conditions set forth therein.	e. Buyer shall to cancel the If Buyer does
	(Initials)

If a Public Offering statement is NOT required, and because the Property is nonetheless part of a planned community with a homeowners association, the Buyer still has the right, before conveyance, to receive and review a copy of the proposed or recorded declaration or covenants and restrictions, the actual or proposed budget and the actual or proposed bylaws. Buyer has seven (7) days from receipt of these documents to review them. If, within this seven (7) day period, buyer signs this Agreement of Sale, this Agreement of Sale can still be canceled within this seven day review period. Once the seven (7) day review period expires, there is no right to cancel this Agreement of Sale.

	distribution de la company de	(Initials)
A Public Offering Statement is NOT required for this Community following to read and review. The proposed or recorded declaration or covenants and result of the actual or proposed bylaws of the association. An actual or proposed budget of the planned community	strictions;	- -
Uniform Planned Community Act.		
The following is a general description of the facilities that are n Storm Water Management Facilities & Related Devices	naintained or owned by	the Association:
Real Estate containing signage and/or lighting	and the second of the second o	er er wer her bet er er er er
Real Estate containing gates, walls, fences or monuments		
Real Estate containing landscaping		
Open Space		

27. POST SETTLEMENT IMPROVEMENT ACKNOWLEDGMENT AND DISCLAIMER:

Buyer understands that any work or improvements Buyer elects to perform after settlement may require a building permit from applicable governmental authorities and that said permit may not be available depending on certain requirements of the applicable building code and governmental laws, ordinances and regulations. Seller makes no representations or promises whatsoever that any such permit would be available. For instance, if after settlement, Buyer intends to finish Buyer's basement, Buyer would be required to have means of egress from the basement (e.g., a door and/or a certain size window as an emergency escape to the outside) in order to use basement as living space and obtain a permit for said work. Seller may make available an option to Buyer to pay the cost of providing such egress from the basement at pricing set by Seller and with the understanding that if offered, Buyer must elect at signing of the Agreement to purchase such an Option.

BY SIGNING THIS AGREEMENT OF SALE, SELLER HAS PROVIDED BUYER WITH THE ABOVE NOTICE. BUYER ACKNOWLEDGES THAT UNLESS SELLER HAS CONTRACTUALLY AGREED TO PROVIDE AN OPTION FOR BUYER, AND IN SUCH CASE EXCEPTING ONLY THE SPECIFIC OPTION PROVIDED, BUYER WAIVES ANY CLAIMS AGAINST SELLER IN THE EVENT THAT BUYER IS NOT ABLE TO FINISH BUYER'S BASEMENT OR MAKE ANY OTHER IMPROVEMENT TO BUYER'S BASEMENT, HOME OR PROPERTY AFTER SETTLEMENT. BUYER UNDERSTANDS THAT BUYER WILL BE RESPONSIBLE FOR OBTAINING NECESSARY PERMITS TO COMPLETE SUCH WORK.

28. EXHIBITS: The following Exhibits shall be attached and made an integral part of this Agreement of Sale:

Exhibit A – Cost Analysis

Exhibit B - Community Specifications

Exhibit C - Model Floor Plan

Exhibit D - Recorded Plan of Lot

Exhibit E - Home Site Evaluations

Exhibit F - Mold Notice, Disclosure and Release

Exhibit G - Radon Notice, Disclosure and Release

വ	ממפ	PECIAL CLAUSES:		
49.	4	7 1 1 1 2 4 6 1 6 21 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	oning this A	greement of Sale:
	A.	(1) Consumer Notice	gung una n	Electronic or paie.
		(2) Estimate of Closing Costs		
		(3) RESPA Disclosure		
		(4) Buyer's Financial Information		
		(5) Residential Construction Performance Guidelines		
	B.	. This Agreement of Sale is NOT contingent on the sale and/or	settlement	of any other property owned by the
		Buyers,		
		This Agreement of Sale IS contingent on the sale and/or settlen		
	Ċ.	. The final print received by the Buyer may differ from the brochure	and/or the	plans in our website. The final print
		shall take precedence over any brochure artwork and/or floor plans		The first of the second of the

Buyer acknowledges and agrees that the model Dwelling chosen by Buyer at the time of execution of this D. Agreement of Sale, and any and all options selected by Buyer, shall be subject to approval by Seller at any time following the execution of this Agreement of Sale by both parties, which approval shall include, but not be limited to, Seller's confirmation that such model, and its proposed location on the Property, shall comply with all zoning and subdivision regulations and shall otherwise comply with all other ordinances, rules and regulations imposed by the jurisdiction in which the Property is located. In the event the model Dwelling and the Property chosen by Buyer shall not, in Seller's sole and absolute discretion, comply with the requirements set forth in this Subparagraph 29(C), Seller shall have the option of (i) substituting the Property which is the subject of this Agreement with of Sale an alternate lot, (ii) modifying the plans and specifications for the model Dwelling, or (iii) terminating this Agreement of Sale. In the event Seller shall elect to terminate the Agreement of Sale, Seller shall return to Buyer all deposit monies described in Subparagraphs 3(E), 3(F), and 9(C) above. Buyer further agrees that any modifications which are required as set forth in this Subparagraph 29(C) shall be memorialized in writing and signed by Buyer and Seller.

Other: E.

30. MISCELLANEOUS:

A. This Agreement of Sale shall be binding on and inure to the benefit of the parties hereto and their respective successors, heirs, administrators and permitted assigns. Buyer may not assign this Agreement of Sale without the prior written consent of the other. Seller may assign this Agreement of Sale without any consent of Buyer.

B. If any provision of this Agreement of Sale, except for an obligation to pay money, is held to be invalid or unenforceable by any court, such holding shall not have the effect of rendering any of the other provisions of this

Agreement of Sale invalid or unenforceable.

This Agreement of Sale may be executed in counterparts, each of which shall be an original, but all of which shall constitute one document. If a party executes this Agreement of Sale and delivers this Agreement of Sale via facsimile or email, such facsimile or email shall constitute an originally executed counterpart. A photocopy of a signed Agreement of Sale shall constitute an original of that signed Agreement of Sale.

D. Neither party will attempt to record this Agreement of Sale in the Office of the Recorder of Deeds. Any attempt by

Buyer to record this Agreement of Sale may, at Seller's option, be treated as a default by Buyer.

- Any notices under this Agreement of Sale shall be sent in writing and by certified mail, personal delivery or recognized overnight carrier, unless the Agreement of Sale specifically provides for a different method of notice.
- 31. HIGHWAY OCCUPANCY PERMIT: Buyer is advised that access to a public road may require issuance of a highway occupancy permit from the Pennsylvania Department of Transportation. If required for access, Seller shall provide a highway occupancy permit for the subdivision and as required for the individual lot within the subdivision that Buyer is purchasing.

- 32. PREVAILING PARTIES PROVISION: In the event of any litigation brought prior to or after settlement, over or arising out of the terms of this Agreement of Sale, the sale of the Property to Buyer or any warranty claim or issue, the substantially prevailing party (as determined by the Court) in such litigation shall be entitled to reasonable legal fees and costs. Any such litigation shall be brought in the venue (location) of the county where the property is located and nowhere else. Additionally, if the Property has gone to settlement, before Buyer takes any legal action by filing a legal process of any kind, including a formal lawsuit, Buyer must provide notice of such intended legal action, identify to Seller in writing any alleged complaints, defects or problems that are the basis for said legal process and/or lawsuit and give Seller thirty (30) days from the date of the writing to correct or otherwise address such issues. If the Property has not gone to settlement, the terms of Paragraph 18 apply, including any required notice.
- 33. RIGHT TO SHOW PROPERTY AND CHANGE PRICE OF OTHER PROPERTIES: Seller shall have the right to show the Property to third parties prior to Closing hereunder. Buyer also understands that Seller may offer similar homes and or options for homes at prices higher or lower than the prices set forth in this Agreement of Sale and any such offerings shall have no effect on the prices in this Agreement of Sale.
- 34. ENTIRE AGREEMENT OF SALE/NO VERBAL REPRESENTATIONS:
 - A. This Agreement of Sale and all Exhibits hereto constitute the entire agreement between the parties pertaining to its subject matter and supersedes all prior agreements, discussions, communications, advertisements or understandings. Buyer has executed this Agreement of Sale based upon Buyer's own investigation and without regard to any representation of Seller (or anyone else) not set forth in this Agreement of Sale (including all exhibits such as the specifications). If Buyer believes that Seller has any obligation to Buyer other than what is specifically set forth within the Agreement of Sale, Buyer agrees to list below anything Buyer is relying on to be done by Seller (if none write "None"):
 - B. No amendment of this Agreement of Sale shall be effective unless in writing signed by both parties. No failure or delay by any party to enforce any right or obligation under this Agreement of Sale shall constitute a waiver of that party's right to strictly enforce any right or obligation.
- 35. BUYER'S RIGHT TO LEGAL ADVICE: This is a legally binding contract. It is important that the Buyer fully understand the terms and conditions of this Agreement of Sale and the obligations, including financial obligations, it imposes on Buyer. Seller and Seller's agents cannot provide legal advice. Therefore, Buyer has the option to obtain legal representation prior to signing this Agreement of Sale so that Buyer fully understands Buyer's obligations. Further, because Buyer has been specifically provided an opportunity to have this Agreement of Sale reviewed by legal counsel of its choice, in the event there is any ambiguity within this Agreement of Sale, the ambiguity will not be construed against either party.

Witness as to Buyer:	
Buyer (s) Date	Seller By: Authorized Signatory
Buyer (s) Date	Title Date

BERKS HOMES MOLD NOTICE, DISCLOSURE AND RELEASE

1. WHAT HOMEOWNERS SHOULD KNOW ABOUT MOLD

Molds can be found almost anywhere. They occur naturally in the environment and they can grow on virtually any organic substance which acts as a food source, but only if moisture and oxygen are present. For example, molds can grow on wood, carpet, bathroom tile, insulation, paper, drywall, OSB Board, plywood, etc. Mold growth will often occur when there is excessive moisture accumulation in buildings or on building materials. Molds reproduce by tiny spores that float throughout the air and begin growing indoors when the spores land on surfaces that are wet. Of all the types of mold, not one of them will grow without water or moisture. It is impossible to eliminate all molds and mold spores from an indoor environment. In fact, a house that is properly built can still have water penetration and resulting mold. Moreover, in areas where relative humidity is high, mold can be present even if there is no other outside water coming in the house. Nonetheless, mold growth can be controlled indoors by controlling moisture.

Moisture can come from many sources. There may be water or humidity problem in the house, a spill that was not cleaned up properly, a pipe that is leaking, a water heater that is leaking, gutters that are overflowing and/or improper soil slope around the house causing water to penetrate the foundation, etc. While it is not possible to get rid of all mold spores, it is possible to help prevent them from growing by controlling the moisture in your house. There are many ways to control the moisture in your house. For example, you should fix leaks as soon as possible, clean and dry water and wet spots and address their cause, dehumidify and ventilate your house, re-caulk your house inside and out often, keep heating, air conditioning and ventilation drip pans clean, vent your dryer to the outside, keep the humidity in your house at or below 60%, etc.

Molds can cause health problems. Molds produce allergens, which are substances that can cause allergic reactions, and in some cases, potentially toxic substances called mycotoxins. The most common reactions are sneezing, runny nose, red eyes, and skin rash. Molds can also cause very serious health problems, and even death, especially in children and individuals with suppressed immune systems. Indoor mold contamination and the inhalation of bioaerosols (bacteria, mold spores, pollen and viruses) have been associated with allergic responses including upper respiratory congestion, cough, mucous membrane irritation, fever, chills, muscle ache or other transient inflammation or allergy. Claims have been asserted that exposure to mold contamination and bioaerosols has led to serious infection, immunosupression and illnesses of neuro or systemic toxicity. Sampling of indoor air quality and other methods exist to determine the presence and scope of any indoor contamination. However, experts disagree on the levels of mold exposure that cause health problems. Research on mold and its effects on health are ongoing. For more detailed information consult a health professional. You may also wish to consult your state or local health department.

Because individuals may be affected differently, or not affected at all, by mold contamination, the surest approach to determine the presence of contamination is to engage the services of a qualified professional to undertake an assessment and/or sampling. Assessments and samplings for the presence of mold contamination can be performed by qualified industrial hygienists, engineers, laboratories and home inspection companies that offer these services.

Mold is a concern to all buyers of real estate and to the builders who sell them the property. High levels of mold in a house have been linked to health issues for certain people occupying the house. Buyers need to take certain steps once they own the house to help prevent excessive levels of mold in house. The federal government has not yet determined specific guidelines for what constitutes an excessive level of mold in a house. Because mold exists naturally in the environment, every house will have some mold levels within it. Moreover, even if a builder meets the community standards and code requirements of the area where a house is built, mold will still exist in the house. This is due partly to the fact that mold is in the environment, but it also due to the fact that mold needs moisture to grow and a moisture tight house cannot reasonably be constructed. In addition, in order to make houses more energy efficient, houses are more resistant to air flow from the outside, which would otherwise help diminish mold levels.

In the event you discover mold in your home, you should act quickly since the longer mold has a chance to grow, the more it damages what it grows on. Depending on the size of the moldy area, you may clean it yourself. For larger areas, you may want to contact a professional. For more information on cleanup, see "A Brief Guide to Mold, Moisture, and Your Home", published by the U.S. Environmental Protection Agency. A copy may be obtained from the internet at: http://www.epa.gov/iaq/molds/moldguide.html or for more information, call the EPA Indoor Air Quality Information Clearinghouse at (800) 438-4318.

2. MOISTURE AND MOLD PREVENTION

- A. Berks Homes has taken the following steps to help limit mold growth in your home:
 - (1) To prevent air and moisture infiltration,

- a. install exterior house wrap on all houses as a standard.
- b. flash all windows; tape all vertical seams of wall wrap.
- c. install 6-mil poly under basement floor as vapor barrier.
- (2) Lower all basement stoops 4" to prevent water seepage under the doorsill.
- (3) Install gravity footer drain exit to grade; (install sump pump where applicable).
- (4) Install foundation sleeve with rubber gasket for water and sewer lines.
- (5) Apply Deco 20 clear foundation sealer to exterior of foundation walls.
- (6) Install ventilated soffit and ventilated ridge vent to provide constant airflow.
- (7) Install ice and water shield in valleys and roof area common to gutters, except porches.
- (8) Install fans in all baths exited to outside of dwelling.
- (9) Install flashing at decks to limit water infiltration.
- (10) For vinyl siding applications, use mounting blocks for exterior lights and receptacles to prevent water penetration.
- (11) Install dryer vent exit to outside of dwelling.
- (12) Ensure final grading facilitates proper water runoff.
- (13) Construct house with kiln-dried lumber from supplier.
- B. In the event that the Seller, in providing the services set forth herein during construction, determines that mold is present or that there are signs of moisture or other conditions that would promote excessive mold growth, the Seller shall take such steps during construction as are recognized in the building industry to correct said condition. By way of example and not limitation, if material is found to show signs of mold/mildew or moisture, the material may be cleaned with an anti-fungal solution per builder discretion or removed if the Seller determines that to be required. A report from a industrial hygienist, if Seller elects to retain one in their sole judgment, as to the propriety of the corrective steps taken by Seller shall be considered conclusive and final.

C. Homeowner's Responsibilities:

- (1) Use dehumidifier in basement; house should not exceed 60% humidity.
- (2) Maintain proper grade around house.
- (3) Keep all landscaping mulch or soil at least eight inches below the top of foundation.
- (4) Make sure gutters are free of obstructions.
- (5) Keep exhaust fans clean of dust and debris.
- (6) Maintain areas with caulk windows at brick, penetrations though all exterior areas, etc.
- (7) Inspect exterior of house on an annual basis.
- (8) Wash exteriors (using light spray; not heavy pressure stream).

I/We acknowledge receipt of this notice and disclosure. I/We have carefully read and reviewed its terms, and I/we agree to its provisions.

In consideration of the Seller taking the steps set forth above to help limit mold growth, the Buyer agrees that the Seller shall not be responsible for and Buyer releases the Seller for any property damage, personal injury, emotional distress, damage to the house, adverse health effects, monetary losses or any liability or claims resulting from mold growth, adverse conditions or environmental agents in the dwelling, even if the same result from actual or alleged construction defects. It is understood that such defects can and do occur during construction and are the reason for Buyer being provided a written warranty. Seller shall be responsible to correct any such defects that fall within its warranty, but Seller shall not be responsible for any claims of any type for mold resulting from such alleged or actual

defects or construction techniques. THIS MEANS THAT BUYER SHALL NOT SEEK TO HOLD SELLER RESPONSIBLE UNDER ANY LEGAL THEORY FOR ANY DAMAGES WHATSOEVER CAUSED BY MOLD OR ANY OTHER ENVIROMENTAL AGENT, EVEN IF IT RESULTS FROM A DEFECT, LATENT (UNKNOWN) OR OTHERWISE, IN THE CONSTRUCTION PROCESS. THE PROVISIONS OF THIS PARAGRAPH 18 SHALL SURVIVE CLOSING/SETTLEMENT AND DELIVERY AND RECORDING OF THE DEED.

By signing the space immediately located below, Buyer acknowledges he/she has read and understands this Mold Notice, Disclosure and Release.

Date				
Buyer Date				

BERKS HOMES RADON NOTICE, DISCLOSURE AND RELEASE FOR HOMES WITH BASEMENTS

□ №	T APPLICA	BLE - Home	built on slab.				
Buyer In	oitials	Date	Buyer Initials	Date			
☐ API	PLICABLE -	– Home has ba	sement.				
radium a radon pr result of originate ground, and peru (b) prever radon d	are widely description. Several description of the control of the	istributed in treeral radon day exposure to his in rocks. It can the atmosphere in the house. I entry. The En	ced naturally in the ground ace amounts in the earth's congliters emit alfa radiation, gh levels of radon gas/rado defuses, as does any gas, and e. Being a gas, radon can affa house has a radon problewironmental Protection Agerking levels (4 picocuries)	crust. Descer which has he on daughters ad flows along also move int lem, it can us ency advises of	idants of radon gas igh energy but shor is an increased risk g the path of least re o any air space, suc ually be cured by (a corrective action if the	are called radon trange. Studies of lung cancer esistance to the s h as basements, increased vent ie annual averag	daughters on s indicate the . Radon gas surface of the crawl spaces ilation and/or e exposure to
		s part of the A if that is neede	greement of Sale, do the fo	llowing for b	asement homes with	regard to radon	and to assist
1. 2. 3.	Install a 4- slab prior t Install a 3- purpose of	inch perforated o basement co- inch PVC pipe facilitating the	on sump pump pit in basemed pipe ten feet in length rum nerete pour. It through the sealed lid of the ventilation of radon gas, win attic within six feet of the	ning from the ne sump pit ar hich may be p	nd running to and ex	iting through the	e roof for the
after occ after sett radon to SELLEI RADON	upancy to ver lement, Buy acceptable VBUILDED LEVEL	erify whether received to the control of the contro	yer have a certified radon to adon remediation is required hire a certified radon commany include connecting the R. MAKES NO WARRAM ND IN THE HOUSE COLUMN THE HOUSE TO ANY	d or recomme pany to take se PVC pipe to VTIES, EXP DR WHETH	nded. If unacceptab such additional steps o an active ventilat RESS OR IMPLIE ER THE VENTII	le levels of rado s as are required on system with D. AS TO THE	n are present to lower the a fan. <u>THE</u> SPECIFIC
BUYFemplothem from the copresentation	R herelyees, Se and any any and	y releases llers and s person, f all claim ces there don in an	s, quit claims and the subSellers and any irm or corporations, losses or demander, whether now keep room or portion	forever d officer, i, who m ds, includance	ischarges SEI partner, emp ay be liable b ding personal not, which 1	loyee or an y or throug injuries a nay arise 1	y one of gh them, nd all of from the
Buyer	the first section of the section of	e com en inspension en	Date	Morting and advantage and			

Buyer

Date

BERKS HOMES RESPA DISCLOSURE

TO:	www.common.common.com	katalunianiankeesti katalunia jäläänisi ja kantaan kaitalunia ja	ueminingamininga a a a a a a a a a a a a a a a a a a	
PROPERTY: FROM: DATE:	Berks Real Estate Se	rvices, LLC		
described below. B	erks Real Estate Serv	ices, LLC has an ow	nas a business relationship with mership interest in these compa LC a financial or other benefit.	the affiliated companies anies. Because of this
Set forth below are the provided, and, where	ne companies related to possible, a statement of	Berks Real Estate Ser- the likely charges for t	vices, LLC in this area, a brief de hese services:	escription of the services
Depending upon the possible charges, depe	type of mortgage soug ending upon the mortga	ht, the interest rate an ge program selected:	d the points to be paid, the follo	owing is an estimate of
Appraisal Fee Credit Report For Processing Loan Discount I Loan Origination	\$350.00 Points	of Loan Amount of Loan Amount	Underwriting Final Inspection Tax Service Fee Flood Insurance Search	\$225.00 \$100.00 \$100.00 \$ 19.00
buyers, sellers, and bo	rrowers in connection v Freedom Settlement Co	with the purchase, sale,	itle settlement and title insurance or refinancing of real estate. Ber th are the estimated charges or r	ks Real Estate Services.
Endorsements (i	ate, less 10% Discount f any) Protection Letter Wire	\$ \$220.0 Fee \$125.0		
property. FREQUEN	TLY, THERE ARE OT RE FREE TO COMPA	HER SETTLEMENT S	ition of the purchase, sale or ref SERVICE PROVIDERS AVAILA FEES TO DETERMINE THE B	ABLE WITH SIMILAR
It is also important for from your choice to us	r you to know that you the above-related com	ur Berks Real Estate S panies.	ervices, LLC salesperson receive	es no financial benefits
ACKNOWLEDGMEN	NT;			
above-described settle	isclosure form and und ment services from one l or other benefit as a re	of the affiliated com	al Estate Services, LLC is reference above and that Berks Rea	I Estate Services, LLC
Buyer	- Amsterioring and the second and th	Date	Mentanis:	
Buyer	naineallannashiga parin ing parin ing mananan ana mananan ana ana ana ana ana	Date	MARIAN	

ARBOR GREENE, A PLANNED COMMUNITY ADDENDUM TO AGREEMENT FOR THE SALE OF REAL ESTATE

I.	NAMES AND ADDRESSES:					
	A.	DECLARANT:	Arbor Greene Partners, LP			
	В.	ADDRESS:	711 Olde Hickory Rd., Lancaster, PA 17601			
	C.	SELLER:	Berks Construction Co., Inc.			
	D.	ADDRESS:	3335 Morgantown Road, Mohnton, PA 19540			
	E.	PURCHASER:				
	F.	ADDRESS:				

п	UNIT/LOT BEING PURCHASED:					
m.	DATE OF PURCHASE AGREEMENT:					
IV	PUBLIC OFFERING STATEMENT: Purchaser acknowledges receipt of the Public Offering Statement dated with all Exhibits on or before,					
becom	The ab		Agreement is hereby supplemented by the following, which shall			
	1. <i>Def</i>	finitions. The following t	erms shall have the following specific meanings in this Addendum			
seq., a	s amende		nnsylvania Uniform Planned Community Act, 68 Pa. C.S §5101 et			
Pennsy	ylvania n	(b) The "Association" conprofit corporation.	means the Arbor Greene Home Owners Association, a			
Leban	on Coun	er 4, 2003 and recorded 1	means the Declaration of Arbor Greene, a Planned Community November 5, 2003 in the Office of the Recorder of Deeds for 2035, Page 844, as may have been amended, with such			
		(d) The "Bylaws" mean	ns the Bylaws of the Association.			
Associ	iation fro	(e) The "Rules and Report time to time.	gulations" means the Rules and Regulations adopted by the			
purcha	ıser desig		ans the parcel of property being purchased by the med Community Documents.			

(g) "Plat" means the Plat of Arbor Greene, a Planned Community recorded in the Office

of the Recorder of Deeds for Lebanon County, Pennsylvania as part of the Declaration, as the same may be amended, with such amendments being similarly recorded.

(h) "Purchase Agreement" means the Agreement for the Sale of Real Estate between the Seller and Purchaser relating to sale of the Unit identified above and to which this Addendum relates.

2. Community Documents.

- (a) Purchaser hereby acknowledges having received and reviewed a copy of Declarant's current Public Offering Statement for Arbor Greene, including all attachments and exhibits thereto (as required by Section 5402 of the Act).
- (b) Purchaser acknowledges having received copies of, and agrees to be bound by and comply with the terms and conditions of the Declaration, the Bylaws, and the Rules and Regulations, as the same may be amended from time to time, from and after the completion of the Settlement, which agreement shall survive such Settlement.
- 3. Title Issues. Title to the Unit shall be good and marketable WITH THE BENEFIT OF AND SUBJECT TO THE RIGHTS, COVENANTS, BENEFITS, RESTRICTIONS AND EXCEPTIONS SET FORTH OR DESCRIBED IN: (i) The Declaration, Plat, Bylaws and Rules and Regulations, as each of them may be amended as provided herein; (ii) the Subdivision Plan for Arbor Greene recorded in the Office of the Recorder of Deeds for Lebanon County, Pennsylvania. Subject only to the Special Warranty contained in the deed to the Unit given by the Declarant and any warranties expressly given by the Declarant in the Purchase Agreement (if any and if applicable), acceptance by Purchaser of the deed to the Unit shall constitute a complete release and discharge of all warranties, obligations and liabilities of Declarant (as and to the extent Declarant is a Seller) to Purchaser.

5. Settlement Matters.

- (a) At Settlement, Purchaser shall pay the following additional costs: an amount equal to one quarter-annual installment of the Declarant's initial estimate of the annual assessment for Common Expenses for the Unit, which payment shall not be considered payment of assessments of Common Expenses, but will be in addition to Purchaser's regular quarterly assessment for Common Expenses. The payment described in the foregoing clause shall be paid directly to the Association, shall be non-refundable and shall provide working capital for the Association to be used by the Association when needed, and for such purposes as the Association's Board may determine. Notwithstanding the foregoing sentence, if Declarant or the Seller has already paid to the Association the amount described in the preceding sentence, the payment shall be made to the Declarant or Seller, as the case may be.
- (b) In addition to other prorations described in the Purchase Agreement, the amount of Common Expenses assessed against the Unit for the quarter-year during which the Settlement hereumder takes place shall be apportioned on a per diem basis as of the Settlement Date

6. Limitation of Declarant Warranties, Release of Declarant.

(a) THE DECLARANT MAKES AND GIVES ONLY THOSE WARRANTIES SPECIFICALLY REQUIRED IN THE ACT WITH RESPECT TO THE UNIT. SUCH LIMITED WARRANTIES ARE IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BY WAY OF ILLUSTRATION AND NOT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE AND HABITABILITY, ALL OF WHICH ARE HEREBY DISCLAIMED. DECLARANT NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR DECLARANT ANY OTHER

LIABILITY IN CONNECTION WITH THE SALE OR USE OF THE UNIT SOLD HEREUNDER, OR THE CONSTRUCTION OF ANY IMPROVEMENT OR HOME UPON THE UNIT.

(b) DECLARANT SHALL HAVE NO OBLIGATION, RESPONSIBILITY, OR LIABILITY IN CONNECTION WITH CONSTRUCTION OF ANY IMPROVEMENTS OR HOME UPON THE UNIT, AND THE PURCHASER AGREES TO RELEASE DECLARANT AND LOOK SOLELY TO THE BUILDER IF PURCHASER HAS, SUFFERS, OR INCURS ANY COMPLAINT, DISPUTE, LOSS, CLAIM, OR LIABILITY RELATING TO THE HOME OR ANY IMPROVEMENT CONSTRUCTED ON THE UNIT, INCLUDING BUT NOT LIMITED TO DEFECTS IN MATERIALS OR WORKMANSHIP, DESIGN PROBLEMS, DANGEROUS CONDITIONS, NONCOMPLIANCE WITH PLANS OR SPECIFICATIONS, OR DELAYS IN COMPLETION.

This Addendum supplements the referenced Purchase Agreement. To the extent there are

7. Supplement to Agreement.

Purchaser:	and the second second second second						
Purchaser:	talian managara and a same and a	and the second s		oliva ja kalendra ja kalendra ja	adament i takan	······································	
Executed by	Purchaser this	day of		,		ijimina <u>wa nini</u>	No. of
					*		
Seller:	BERKS CON	STRUCTION	CO., INC.				
	By		tura estat tradicione de	n system on least co			
	By: J. Lav	ern Horning,	President	7 			
Executed by	Seller this	day of		***************************************		minus *	
Declarant:		ENE PARTN ss Properties,					
	• • • • • • • • • • • • • • • • • • •						
	By:	***************************************	ilmihilminentere sirra-estadorada.	***************************************			
Executed by	Declarant this	day of				*	

