

Veranda Maintenance Summary

The following information is current as of April 20, 2016

All information is based on the content of the

Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania, as amended ("Declaration").

All information is subject to change as permitted in accordance with the terms of the Declaration.

Maintenance Responsibilities	Town Homes	Carriage Homes	Single Family Homes
Lawn care: grass mowing, fertilization, reasonably practicable weed control except within fenced areas	Association Within fenced areas: Homeowner	Association Within fenced areas: Homeowner	Homeowner
Trees, Shrubs and Planting Beds: trimming, weeding, fertilization	Association	Association	Homeowner
Snow shoveling and ice treatment as reasonably practicable of all access walks and sidewalks along streets	Association: All walks except steps and stoops. Homeowner: steps and stoops.	Association: All walks except steps and stoops. Homeowner: steps and stoops.	Homeowner: All walks including sidewalks along streets.
Driveway snow removal as reasonably practicable	Association	Association	Homeowner
Driveway repair/replacement	Homeowner	Homeowner	Homeowner
Exterior components of homes	Homeowner	Homeowner	Homeowner

Monthly assessment	\$165.00	\$165.00	\$61.00
Initial Assessment ¹ paid at settlement	\$250.00	\$250.00	\$250.00

East Hempfield Township will be responsible for snow plowing and ice treatment of dedicated public streets.

The Association will be responsible for reasonably practicable snow plowing and reasonably practicable ice treatment of alleys.

The Budgets of the Association include reserves for replacement of Common Elements as indicated in the Budgets. In the event that reserves for replacements are insufficient when replacements are required², the Executive Board will levy, subject to approval of Unit Owners, Special Assessments for Capital Improvements pursuant to the Declaration³.

This summary is not a substitute for the actual documents. Purchasers must refer to all recorded documents (including Subdivision Plans) and the Public Offering Statement for rights and obligations of land ownership in Veranda. If there are any questions, purchasers should seek the advice of their real estate counselor or attorney.

¹ "Each Lot Owner (other than a Declarant) shall, at the time of the first Conveyance of a Lot from a Declarant to such Lot Owner, pay to the Association an initial assessment in the amount of Two Hundred Fifty and no/100 Dollars (\$250.00) . The initial assessment shall constitute a non-refundable payment to the Association, to be used by the Association to pay start-up expenses, to prepay certain expenses, such as insurance premiums, and to provide an initial reserve against future expenses and shall not be credited as an advance payment of annual or special assessments." Declaration Section 5.9.

² See Declaration Section 4.2.1.

³ "In addition to the annual assessments authorized in the Governing Documents, the Executive Board may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of a part of the Common Elements including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of Owners of Lots subject to the special assessment(s) voting at a meeting duly called for such purpose." Declaration Section 5.5

Veranda, a Planned Community

Public Offering Statement

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Introduction and Disclosures

Pursuant to the requirements of the *Pennsylvania Uniform Planned Community Act*, 68 Pa.C.S. §5101, *et seq.* (the "Act"), this Public Offering Statement conveys information regarding the property described as Veranda, a Planned Community.

The Act defines and uses certain words to describe parcels of ground and improvements to these parcels.

The Act describes a "Unit" as a "physical portion of the planned community designated for separate ownership or occupancy, ..." In this Public Offering Statement, the term "Lot" will be synonymous with the term "Unit."

The Act describes and uses the terms "planned community," and "subject property," to identify the parcel of land which is the subject to the Act. In this Public Offering Statement, the term "Veranda Community" will be synonymous with the terms "Planned Community" and "Subject Property."

The name of the Veranda Community is Veranda, a Planned Community. The Veranda Community is located south of Harrisburg Pike in East Hempfield Township, Lancaster County, Pennsylvania.

The Declarant of Veranda, a Planned Community is the Hempfield Valley Partnership, a Pennsylvania general partnership, with an address at 1190 Dillerville Road, Lancaster, Pennsylvania 17601.

Within seven days after receipt of this Public Offering Statement, or any amendment to this Public Offering Statement that materially and adversely affects the rights or obligations of the purchaser, the purchaser, before conveyance, may cancel any contract for purchase of a Lot from a Declarant.

If the Declarant from whom the purchaser purchases a Lot fails to provide a Public Offering Statement, and any amendments, to a purchaser before conveying a Lot, the purchaser may, in addition to any other relief, recover from such Declarant an amount equal to 5% of the sales price of the unit up to a maximum of \$2,000 or actual damages, whichever is the greater amount.

A minor omission or error in the Public Offering Statement, or an amendment thereto, that is not willful shall entitle the purchaser to recover only actual damages, if any.

If a purchaser receives the Public Offering Statement more than seven days before signing a contract, the purchaser cannot cancel the contract unless there is an amendment to the Public Offering Statement that would have a material and adverse effect on the rights or obligations of that purchaser.

Any deposit (which shall not include any payment specifically stated in a sales contract to be in payment of or on account of extras, changes or custom work) made in connection with the purchase or reservation of a Lot from the Declarant ("Deposit") shall be placed in escrow and will be held in an escrow account in this Commonwealth by a licensed real estate broker, an attorney admitted to practice in this Commonwealth, a financial institution, or a licensed title insurance company in an account or in the form of a certificate of deposit designated solely for that purpose with a financial institution whose accounts are insured by a governmental agency or instrumentality until:

- (1) delivered to the Declarant, at the settlement of the purchase of the property being purchased;
- (2) delivered to the Declarant, because of purchaser's default under a contract to purchase the Lot; or
- (3) refunded to the purchaser.

Any Deposit will be returned to the purchaser if the purchaser cancels the contract pursuant to section 5406 of the Act which provides that:

(a) General Rule. ... A Declarant shall provide a purchaser of a unit with a copy of the public offering statement and all amendments thereto not later than the date the purchaser executes the contract of sale for such unit or, if no contract of sale is executed, not later than seven days before conveyance of such unit. Unless a purchaser is given the public offering statement, including all the currently effective amendments thereof, within the time period referred to in the preceding sentence, the purchaser, before conveyance, may cancel the contract within seven days, after first receiving the public offering statement and all currently effective amendments. If a public offering statement is amended after the public offering statement has been received by a purchaser of a unit, the amendment shall be provided to the purchaser promptly after it becomes effective. If the amendment materially and adversely affects the rights or obligations or both of the purchaser, then the purchaser, before conveyance, may cancel the contract of sale within seven days after receiving the amendment.

(b) Method and Effect of Cancellation. If a purchaser elects to cancel a contract pursuant to subsection (a), the purchaser may do so by hand-delivering notice thereof to the declarant or by mailing notice thereof by prepaid united states mail to the declarant or to the declarant's agent for service of process. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded promptly.

The Veranda Community is created as a Planned Community in accordance with the Act by the recordation of a *Declaration*. A copy of the *Amended Declaration* incorporating the *Declaration*, *First Amendment to Declaration*, *Second Amendment to Declaration*, *Third Amendment to Declaration*, *Fourth Amendment to Declaration*, and *Fifth Amendment to Declaration* creating the Veranda Community is attached to this Public Offering Statement and additional information regarding the *Declaration*, *First Amendment to Declaration*, *Second Amendment to Declaration*, *Third Amendment to Declaration*, *Fourth Amendment to Declaration*, and *Fifth Amendment to Declaration* is in Section 4 of this Public Offering Statement.

Capitalized terms in this Public Offering Statement are either defined in this Public Offering Statement or are defined in Article I of the attached *Amended Declaration*.

1. The Community of Veranda

The overall tract of land identified as Veranda, a Planned Community is a parcel of land located south of Harrisburg Pike and north of Sylvan Road in East Hempfield Township, Lancaster County, Pennsylvania and is being developed in accordance with the Pennsylvania Uniform Planned Community Act¹. The developer of "Veranda, a Planned Community" is Hempfield Valley Partnership, identified in the documents as the "Declarant" and in this summary either as the Declarant or as the "Developer."

The Veranda Community is a residential subdivision comprised of individual residential building lots (on which homes are planned to be built), land for street rights-of-way (to be offered for dedication to East Hempfield Township), alleys (which will be private rights-of-way), Common Elements comprised of land for Storm Water Facilities,² and land for the use and enjoyment of residents of Veranda, ("Common Facilities").

The overall development of Veranda, a Planned Community has been reviewed and approved by East Hempfield Township as shown on an Overall Development Plan. Final approval of portions of the community occurred when final subdivision plans were submitted to, and approved by, East Hempfield Township and other governmental entities (referred to as "Final Approval"). The subdivision of Phases 1 - 4 of Veranda are shown on the recorded Subdivision Plans³.

Final Approval is subject to change subject to approval of all governmental entities having jurisdiction. In the event of a change in Final Approval which changes a Subdivision Plan, a revised Subdivision Plan will be recorded and will replace and supersede any and all previously recorded Subdivision Plans.

¹ Property is made subject to the Act by the recordation of a *Declaration* and *Amendments* in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania. The *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* (the "Declaration") is of record as Instrument Number 5333109, the *First Amendment* is of record as Instrument Number 5357020, the *Second Amendment* is of record as Instrument Number 5426493, the *Third Amendment* is of record as Instrument Number 5722786, the *Fourth Amendment* is of record as Instrument Number 5942378, and the *Fifth Amendment* is of record as Instrument Number 6217205.

² Portions of the Planned Community designated for the purpose of storm water drainage detention, retention, infiltration and/or control of the volume and/or rate and/or the direction of storm water, together with improvements to the Planned Community, including but not limited to basins, pipes, swales, inlets, systems and other components and facilities appurtenant thereto as are constructed for the purpose of storm water drainage management, but excluding therefrom any such facilities, such as roof drain infiltrator systems, which are located entirely within, and for the sole purpose of storm water management within, the boundaries of a single Lot.

³ Plans recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania: *Final Subdivision Plan - Phase 1, Veranda, a Planned Community*, recorded in Plan Book J-219, Page 98, as File Number 5313183, *Final Subdivision Plan - Phase 2 and 3, Veranda, a Planned Community*, recorded Plan Book J-225, Page 16, as File Number 5457990, *Revised Final Subdivision Plan - Phase 1, Veranda, a Planned Community*, recorded as Document Number 5816588, *Revised Final Subdivision Plan - Phase 2 and 3, Veranda, a Planned Community*, recorded as Document Number 5816590, and *Revised/Final Subdivision Plan - Phase 4, Veranda, a Planned Community*, recorded as Document Number 2011-0037-J as superseded in part by that certain plan identified as *Veranda Minor Revised Subdivision Plan Lots 164-167 and 181-184, A Planned Community* recorded as Instrument Number 2015-0097-J, as all such plans may be revised and superseded which such revised and superseding plans are or shall be recorded.

Various types of homes will be constructed on the Lots within the Veranda Community, including home styles or types identified as "townhomes," "Carriage Homes," (townhomes and Carriage Homes are referred to as "Attached Dwellings") and "single family" homes (single family homes are referred to as "Single Family Dwellings"). All of the homes and Lots will be owned by the buyers in "fee simple" ownership.

The Developer does not intend to rent any of the Lots and does not intend to market blocks of Lots to investors.

2. Common Elements

Common Elements of the Veranda Community are owned or are maintained, improved, repaired, replaced, regulated, managed, insured and/or controlled by the Veranda Neighborhood Association, Inc. a membership corporation of which each Lot Owner in Veranda is a Member (see Section 6 of this Public Offering Statement).

The Common Elements include areas of open land referred to in this Public Offering Statement and in the *Declaration* as "Open Space." Ponds are located in some of the Open Space.

In addition, the Storm Water System⁴ and alleys throughout the Veranda Community are Common Elements.

The *Common Elements* are comprised of both *Common Facilities* and *Controlled Facilities*.

The Common Facilities include all those parcels of land, including all improvements thereto, within the Planned Community shown on the Subdivision Plans as "Open Space." The Common Facilities do not include any land Conveyed or to be Conveyed to Governmental/Public Service Entities.

The Open Space will be used in a variety of ways. Recreational facilities ("tot lots") will be installed on some portions of the Open Space. A pedestrian trail system will also be installed within the Open Space. Ponds are located within the Open Space. Some portions of the Open Space are, and will remain in their natural state where appropriate such as where the Open Space is wetlands or woods, tree stands or other vegetation which serves as a visual barrier, nature preserve or other beneficial function.

The *Common Facilities* also include all Alleys, and Roadways to the extent not accepted for dedication by East Hempfield Township or any other governmental entity. The Alleys are intended to remain "private rights-of-way," not accepted for dedication.

The community of Veranda is required, by governmental regulation, to control the flow of storm water through and from the land. Storm water is controlled by various Storm Water Facilities. Within the Planned Community, storm water detention or retention basins, storm water surface flow through swales, and storm water pipes are located on the Common Open Space Common Facilities, within the rights-of-way of streets to be offered for dedication to East Hempfield Township, and on some of the Lots within the Planned Community.

The Controlled Facilities include those portions of the Storm Water Facilities that are not located within the Common Open Space Common Facilities.

Storm Water Facilities, located both within Common Open Space (Common Facilities) and on some of the Lots within the Planned Community (Controlled Facilities), will be maintained by the Association.

⁴ Portions of the Veranda Community designated for the purpose of storm water drainage detention, retention, infiltration and/or control of the volume and/or rate and/or the direction of storm water, together with improvements to the Veranda Community, including but not limited to basins, pipes, swales, inlets, systems and other components and facilities appurtenant thereto as are constructed for the purpose of storm water drainage management, but excluding therefrom any such facilities, such as roof drain infiltrator systems, which are located entirely within, and for the sole purpose of storm water management within, the boundaries of a single Lot.

The *Controlled Facilities* are those portions of the Veranda Community, whether or not a part of a Unit, which are not Common Facilities but are maintained, improved, repaired and replaced by the Veranda Neighborhood Association.

The *Controlled Facilities* include:

All Street Lights and street identification signs within the Veranda Community located within rights of way dedicated to West Lampeter Township or to any other governmental entity.

Sidewalks adjacent to Open Space as shown and depicted on Subdivision Plans and located within rights of way dedicated to East Hempfield Township or to any other governmental entity.

The landscaping, including accessible areas of lawns, plantings such as ground cover, shrubs, bushes and trees on Lots on which Attached Dwellings are constructed (excludes lawn areas, plantings, shrubs, bushes and trees within enclosing fences).

3. Maintenance Obligations of Lot Owners

The insurance, maintenance, repair and replacement of buildings located on a Lot are the sole responsibility of the Lot Owner. The Lot Owner must, at all times, maintain any and all buildings on the Lot in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal laws and retains the functional condition of the building(s) and further in such a manner that lack of maintenance, repair or replacement does not impair the structural integrity of any larger building of which the building is a part.

Each Lot Owner is also obligated to maintain, repair and replace in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal laws and retains the functional condition thereof, any and all sidewalks or other pedestrian facilities located on the Lot; or located between the Street Line (as such term is defined in the Zoning Ordinance of East Hempfield Township, as amended) and the Cartway (as such term is defined in Section 1.44.2 of the Declaration) between Side Property Line(s) (being each Lot boundary which intersects with the Street Line) in common with adjacent Lot(s) extended to the Cartway, or, if any Side Property Line is not a common Side Property Line of an adjacent Lot, to the mid-point between the Side Property Lines of non-adjacent Lots extended to the Cartway, which such obligation includes the responsibility for snow removal and treatment for ice accumulation.

4. Development of the Veranda Community

The Developer is or will be offering Lots for sale with homes constructed on the Lots. The homes built, however, are not part of a Unit as defined in the Act. The Developer has commenced construction of improvements to the Planned Community required for the use and occupancy of the Lots within Veranda as residential building lots as shown on the Subdivision Plans, including, but not limited to, the installation of streets, Alleys, curbs, sidewalks, utility services including water, sewage, gas, electric, telephone, and cable, and Storm Water Facilities (collectively referred to as "Facilities and Amenities"). The Facilities and Amenities which "MUST BE BUILT" are listed in Exhibit "C" to the *Declaration*⁵. The Declarant has posted the following financial security with the indicated entities to assure the performance by the Declarant of these obligations.

East Hempfield Township	Bond in the amount of \$98,449.72
East Hempfield Township	Bond in the amount of \$44,721.85
Penn Dept of Transportation	Bond in the amount of \$20,129.62
Sewer Authority	Bond in the amount of \$240,325.00
Water	Bond in the amount of \$234,172.95
East Hempfield Township	Maintenance Bond in the amount of \$75,977.81
(gas and electric service)	No financial security posted
(telephone service)	No financial security posted

The source of funding to complete the Facilities and Amenities is a construction loan from Fulton Bank to Hempfield Valley Partnership, the Developer of the Veranda Community.

⁵ See Footnote 1 on page 3 of this Public Offering Statement.

The Facilities and Amenities to be completed by the Developer Declarant are as follows and will be owned, upon completion, as indicated:

Roadways including Roadway Rights-of-Way, Roadway Cartways and sidewalks (to be offered for dedication to East Hempfield Township) will be public rights of way upon acceptance of dedication. If the Roadway Rights-of-Way, streets, curbs and sidewalks are not accepted for dedication by East Hempfield Township, they will be Common Facilities of the Veranda Neighborhood Association.

Alleys including Alley Rights-of-Way, Alley Cartways not to be offered for dedication to East Hempfield Township will be Common Facilities of the Veranda Neighborhood Association.

Sewers conveying sewage waste will be conveyed to and owned by the Lancaster Area Sewer Authority (LASA).

Water service pipes will be conveyed to and owned by City of Lancaster, Bureau of Water.

Electric, gas, and telephone service facilities are not being completed by the Developer Declarant and are, and will remain, the property of the respective service providers.

All Open Space, including improvements to the Open Space such as recreational facilities (including "tot lots"), pedestrian and cycling trails, signs including but not limited to trail markers, direction and information signs, and entrance and identification signs, including lighting thereof; and landscaping, including but not limited to ground cover, flowers, shrubs, bushes and trees will be Common Facilities of the Veranda Neighborhood Association.

The Storm Water System will be Common Facilities of the Veranda Neighborhood Association.

The Veranda Neighborhood Association will have full responsibility for the cost of maintenance, repair, improvement, administration and regulation of the Facilities and Amenities which will be Common Facilities of the Veranda Neighborhood Association.

The Developer Declarant is scheduled to complete the Facilities and Amenities on or before the termination of the Development Period.⁶

Except for the payments of assessments to the Association, real estate taxes, and utility bills, there are no responsibilities of Lot Owners for the maintenance, repair, improvement, administration and regulation of the Facilities and Amenities.

⁶ The Development Period will begin on the date of the first conveyance of a Unit to a person other than a declarant ("Beginning Date") and will last until the earliest of:

- a. Seven years after the Beginning Date; or
- b. Sixty days after conveyance by Declarant to persons other than a declarant of one hundred eighty (180) Lots (being 75% of the Lots which may be created pursuant to the terms of the Declaration), or
- c. Two (2) years after all declarants have ceased to offer Lots for sale in the ordinary course of business; or
- d. Two (2) years after any development right to add new Units was last exercised; or
- e. The date designated, by notice in writing, from the Declarant to the Executive Board of the Association as the date of termination of the Development Period.

Some of the structural components of the Facilities and Amenities in the Veranda Community are existing as of the date of this Public Offering Statement.

The other structural components of the Facilities and Amenities in the Veranda Community are currently under construction and are not complete as of the date of this Public Offering Statement.

The list of all structural components in the Veranda Community, including the dates of construction, installation and major repairs of existing structural components (if known or ascertainable), the expected useful life of each item, and the estimated cost in current dollars of replacing each of the structural components is as follows:

<u>New Structural Components</u>	<u>Date of Construction</u>	<u>Expected Useful Life</u>	<u>Estimated Cost to Replace (in current dollars)</u>
Storm Water Facilities	Under Construction	60 years	\$600,000
Basins, Ponds, Walls	Under Construction	100 years	\$500,000
Private Alley Paving	Under Construction	30 years	\$85,000
Asphalt Walks	Under Construction	30 years	\$20,000
Signage	Under Construction	15 years	\$18,000

Because all major utility installations are repaired and replaced by the utility service providers there is no cost to the Association of replacing each of the same.

The following governmental approvals and permits are required for the use and occupancy of Phase 1 of the Veranda Community.

Subdivision approval from East Hempfield Township, which has been obtained, and which does not expire.

Approval of the design of the sanitary sewer system from Lancaster Area Sewer Authority, which has been obtained, and which does not expire

NPDES (National Pollutant Discharge Elimination System) Permit (Permit # PAG2003603085R) issued by the Pennsylvania Department of Environmental Protection, which has been obtained, and which expires on October 28, 2018.

Sewerage approval (DEP Code No. A3-36928-272-3) issued by the Pennsylvania Department of Environmental Protection, which has been obtained, and which does not expire.

Highway Occupancy Permit for Harrisburg Pike entrance (Permit #08057077) issued by the Pennsylvania Department of Transportation, which has been obtained, with an expiration date of December 10, 2004.

Highway Occupancy Permit for utility line connection and operation within Harrisburg Pike right-of-way (Permit #08058973) issued by the Pennsylvania Department of Transportation to City of Lancaster, Bureau of Water, which has been obtained, and which does not expire.

East Hempfield Township Major Storm Water Permit (Permit No. 02-MA-28) which has been obtained, and which does not expire.

Building Permits from East Hempfield Township for construction of homes on the individual Lots, which have not been obtained, are expected to be obtained immediately prior to the construction of a home on a Lot, the expense of which is the responsibility of the builder of the home.

Certificates of Occupancy from East Hempfield Township for permission to occupy homes constructed on the individual Lots, which have not been obtained, are expected to be obtained immediately prior to the occupancy of a home on a Lot, the expense of which is the responsibility of the builder of the home.

5. The Declaration

A copy of the Declaration as amended by the First Declaration Amendment through Fifth Declaration Amendment is attached to this Public Offering Statement.

The Amended Declaration may be amended by a vote of the owners of seventy-five percent (75%) of the Lots then within the Incorporated portion of the Veranda Community. In addition, if required by any governmental entities having jurisdiction over land use, mortgagees of lots, title insurers, or financing agencies, a Declarant may amend the Amended Declaration or other documents governing the development and use of the Veranda Community.

The Amended Declaration define and describe:

- a. the components of "Veranda, a Planned Community" (§§ 2.5 - 2.7)
- b. provisions regarding the procedure and consequences of the conversion and incorporation of Convertible Real Estate to the Veranda Community in which additional Units, Common Elements, and Limited Common Elements may be created (§§ 2.9, 3.7)
- c. provisions regarding the procedure and consequences of the withdrawal of Withdrawable Real Estate from the Veranda Community (§§ 2.9, 3.8)
- d. uncompleted improvements and Common Elements (§ 2.10)
- e. maintenance responsibilities of Lot Owners (§ 3.1, 3.2)
- f. the property rights and responsibilities regarding the Common Elements including:
 - 1) Owner's easement of enjoyment (§ 3.4.3)
 - 2) limitation of easements, rights and privileges (§ 3.5)
- e. easements and licenses granted to the Association and to the Declarant (§ 3.6)
- f. a list of current restrictions, easements or licenses appurtenant to or included in the Veranda Community (§ 3.6.8)

The Declaration establishes that the Veranda Neighborhood Association, Inc. (the "Association") will be the entity responsible for complying with the responsibilities set forth in the Declaration. The Declaration defines and describes:

- a. the composition of the Association (§ 4.1)
- b. the powers and duties of the Association (§ 4.1.1)
- c. the responsibilities of the Association for the maintenance, improvement, repair, replacement, regulation, management and control of the:
 - 1) Common Facilities (§ 4.2.2)
 - 2) Storm Water System (§ 4.2.2.2)
 - 3) Alley Cartways (§ 4.2.2.2)
 - 4) Open Space, Improvements (§ 4.2.2.3)
 - 5) Controlled Facilities (§ 4.2.3)
- d. determinations of adequacy and enforcement by East Hempfield Township and assessments therefor (§§ 4.2.1, 5.8, 5.13)
- e. insurance to be carried by Association (§ 4.3)
- f. Membership and voting rights in the Association (§ 4.4)

There is no provision in the Declaration for any circumstances under which the Association is to become a master association or part of a master association. (A "master association" exercises powers granted to other associations on behalf of one or more other planned communities or other incorporated or unincorporated associations.)

The Declaration establishes that the Association will be managed by an Executive Board. The Declaration defines and describes:

- a. the composition of the Executive Board (§ 4.5)
- b. powers and duties of the Executive Board (§ 4.5.1)
- c. right and limitation of Declarant to appoint members of the Executive Board during and only during the Development Period (§ 4.5.2)
- d. provisions regarding transfer of control of the Executive Board from Declarant to members elected by the Lot Owners (§§ 4.5.2.1 - 4.5.2.2)
- e. indemnification of officers, Executive Board and committee members (§ 4.5.3)

The Declaration establishes the procedures for assessments. The Declaration defines and describes:

- a. creation of the lien and personal obligation of assessments (§ 5.1)
- b. purpose of assessments (§ 5.3)
 - 1) Annual Assessments (§ 5.4)
 - 2) Special Assessments for capital improvements (§ 5.5)
 - 3) Assessment to repair damage caused by Owner (§ 5.7)
 - 4) Initial Assessments (§ 5.10)
- e. payments of assessments (§ 5.9)
- f. remedies of the Association for non payment of assessments (§ 5.11)
- g. property exempt from assessment (§ 5.12)
- h. procedure for issuance of estoppel certificates (§ 5.2)

The Declaration establishes Special Declarant Rights to:

- a. subject the Veranda Community to easements (§ 7.1)
- b. modify the descriptions of the components of "Veranda, a Planned Community" (§§ 2.1, 3.5, 3.6, 7.2)
- c. convert and incorporate, or to refrain from converting and incorporating some, or all, of the Convertible Real Estate (§§ 3.7, 7.2)
- d. withdraw, or to refrain from withdrawing some, or all, of the Withdrawable Real Estate (§§ 3.8)
- e. appoint members of the Executive Board pursuant to the provisions of the Declaration (§ 7.2)
- f. use easements and licenses granted to Declarant (§ 7.3)

The Declaration also describes and establishes provisions for:

- a. exceptions to Declaration provisions for development and sales (§ 7.4)
- b. rights of Secured Lenders (§ 8.1)
- c. obligations of Association to Secured Lenders (§ 8.2)
- d. enforcement of the provisions of the Declaration (§ 9.1)
- e. severability of parts of the Declaration (§ 9.2)
- f. amendment of the Declaration (§ 9.3)

6. Veranda Neighborhood Association

The Veranda Neighborhood Association, Inc. (the "Association") is organized as a Pennsylvania non-profit membership corporation. Each Lot Owner is, and must be, a member of the Association.

The Association may contract with outside firms for management services, and to perform some of the required functions of the Association.

The Association has several functions:

- a. The Association is responsible for maintaining, repairing and replacing when required all of the Common Facilities such as:

all Open Space within the Veranda Community and all improvements to the Open Space including ponds, landscaping, recreational facilities (such as "tot lots"), pedestrian and cycling trails, signs (such as trail markers, direction and information signs, and entrance and identification signs), landscaping, (such as ground cover, flowers, shrubs, bushes and trees) and other Open Space uses.

the Storm Water System

Alleys and Roadways not accepted for dedication by East Hempfield Township or other governmental entity

- b. The Association is responsible for maintaining all of the Controlled Facilities such as:

Sidewalks adjacent to Open Space as shown and depicted on Subdivision Plans and located within rights of way dedicated to East Hempfield Township or to any other governmental entity.

The landscaping, including accessible areas of lawns, plantings such as ground cover, shrubs, bushes and trees on Lots on which Attached Dwellings are constructed (excludes lawn areas, plantings, shrubs, bushes and trees within enclosing fences).

- c. The Association can enforce, against any Lot Owner(s) violating them, the conditions, covenants, restrictions, and easements in the *Amended Declaration*.

7. Membership and Assessments

To accomplish the purposes of the Declaration, each purchaser of a Lot in the Veranda Community is obligated, upon and by becoming an Owner of a Lot in the Veranda Community, to become an Owner/Member of the Association.

The Owner, or owners collectively if more than one, of each Lot constitute one Member of the Association. Each Member shall hold one Membership in the Association. The Association will have the same number of Memberships as there are Lots in the Veranda Community.

Each Membership will have one vote in the Association. The total number of votes in the Association will be equal to the total number of Lots within the Veranda Community.

If any Membership is comprised of two or more persons (that is, if any individual Lot is owned by two or more persons), the vote for such Membership shall be cast as such owners shall decide among themselves and the vote may be exercised by any one of them, unless any objection or protest by any other of them is made prior to the completion of a vote, in which case the vote for such Membership will be cast in accordance with the majority vote of such owners and if no majority vote of such owners is attainable, the vote of such Membership will be cast as an abstention. In no event, however, will more than one vote be cast with respect to any Membership.

Cumulative voting will be permitted only for the purpose of electing members of the Executive Board. Cumulative voting will not be permitted for any other purpose. Cumulative Voting permits the casting of multiple votes for one candidate for election. In cumulative voting, each Membership is allocated the same number of votes as there are positions to be filled. For example, in an election to elect three directors, each Membership would have three votes. Under cumulative voting, in an election for three directors, each Membership would cast three votes. The three votes may be cast as one vote for each of three separate candidates, or all three votes may be cast for one candidate, or two votes may be cast for one candidate and one vote cast for a second candidate.

To carry out its responsibilities, the Association has the authority to collect assessments from each Lot Owner in the Veranda Community.

Each Lot Owner is obligated to pay assessments, when assessed, to the Association for the Association's operating expenses. Failure to pay these assessments would result in a lien on the Lot owned.

The Assessments are the amounts to be paid by each Lot Owner to the Association.

The Budgets and Assessments for the current year are attached to this Public Offering Statement.

The annual *General Common Expenses* Assessment for each Lot for each year is based on the General Common Expense Budget established for the year, multiplied by the Association Interest of each Lot.⁷

In addition, annual *Special Allocation Assessments* for each Residential Dwelling Unit Lot are based on the proportionate benefit to the Residential Dwelling Unit Lot of Special Allocation Expenses Budgets.

The Special Allocation Expenses Budget for Lots with Occupied Attached Dwellings ("Occupied Attached Dwellings Special Allocation Budget") is the Association's costs of maintaining the portions of Attached Dwellings and Lots with Attached Dwellings which are defined as Controlled Facilities.⁸) and which are related to occupied and/or completed Carriage Home Dwellings.

⁷ The Association Interest of each Residential Dwelling Unit Lot shall be the quotient of one (1) divided by the then number of Residential Dwelling Units Lots in the Incorporated Property portions of the Veranda Community. Declaration Section 1.7.

If there are 191 Residential Dwelling Unit Lots in the Incorporated Property portions of the Veranda Community, The Association Interest of each Residential Dwelling Unit Lot is 1/191 or .0052 (equal to .52%)

⁸ "The accessible areas of landscaping, including lawns, plantings such as ground cover, shrubs, bushes and trees on Lots on which Attached Dwellings are constructed. Landscaping including lawns, plantings such as ground cover, shrubs, bushes and trees within enclosing fences shall be deemed not to be accessible" Declaration Section 2.7.4.3.

The Budgets of the Association include reserves for replacement of Common Facilities as indicated in the Budgets. In the event that reserves for replacements are insufficient when replacements of some Common Facilities⁹ are required,¹⁰ the Executive Board will levy, subject to approval of all Unit Owners, Special Assessment for Capital Improvements pursuant to Section 5.5 of the Declaration.¹¹

In addition to annual assessments, each initial purchaser of a Lot from a Declarant is obligated to pay an initial assessment to the Association in the amount of \$250.00. The initial assessment will be used by the Association to pay start-up expenses, to prepay certain expenses, such as insurance premiums, and to provide an initial reserve against future expenses.

Other than assessments assessed in accordance with the Declaration, there are no current or expected fees or charges to be paid by Lot Owners for the use of the Common Elements and other facilities related to the Planned Community.

Services not reflected in the budget that the Declarant currently provides or expenses that the Declarant currently pays and that the Declarant expects may become at any subsequent time a common expense of the Association are set forth in the attached budgets.

There is no personal property not owned by the association but provided by the Declarant.

⁹ All Roadways, to the extent not accepted for dedication by East Hempfield Township or any other governmental entity, the Storm Water Facilities, all recreational facilities including "tot lots", all pedestrian trails, signs including but not limited to trail markers, direction and information signs, and entrance and identification signs, including lighting thereof, landscaping, including but not limited to ground cover, flowers, shrubs, bushes and trees and Alleys (to the extent not accepted for dedication by East Hempfield Township or any other governmental entity).

¹⁰ "as and when in the sole judgment of the Executive Board required, any and all buildings, structures, facilities, cartways, wetlands, ponds, lawn, trees, shrubs, landscaping, and land comprising the Common Elements, including without limitation all Limited Common Elements, in accordance with the provisions of the Zoning Ordinance of East Hempfield Township, as amended..." Declaration Section 4.2.1.

¹¹ "In addition to the annual assessments authorized in the Governing Documents, the Executive Board may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of a part of the Common Elements including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of Members voting at a meeting duly called for such purpose."

8. Executive Board

The affairs of the Association are managed by an Executive Board, the members of which are elected by the Members in accordance with the Bylaws of this Association. The Executive Board is constituted, organized, and operates in accordance with the Bylaws of this Association.

9. The Bylaws

A copy of the Bylaws of the Association are attached to this document.

The Bylaws define and describe:

- a. name and location of the principal office of the Association
- b. meetings of the Members of the Association:
 - 1) proxies and voting
 - 2) consent of Members in lieu of meeting
- c. Executive Board of the Association
 - 1) composition, qualifications, powers and duties of Directors
 - 2) number and term of office.
 - 3) election of Directors
 - 4) removal and filling vacancies of Directors
- d. committees
- e. powers and duties of the Executive Board
- f. delegation of powers of the Executive Board
- g. officers of the Association
 - 1) titles, qualifications, powers and duties of officers
 - 2) election of officers by the Executive Board
 - 3) removal of and filling vacancies of officers
- h. fiscal year of the Association
- i. amendments to the Bylaws
 - 1) preparation, execution, certification and recordation of amendments to the Declaration on behalf of the Association.
 - 2) method of amending the bylaws.

10. Rules and Regulations

The Executive Board has created an Architectural Review/Landscape Review Committee for the purpose of reviewing and making recommendations to the Executive Board regarding requests for approval of Architecturally Controlled Improvements in accordance with Section 6.15 of the Declaration.

The Architectural Review/Landscape Review Committee has issued *Guidelines for Architectural Improvements*, a copy of which is included as part of this Public Offering Statement.

Other than the *Guidelines for Architectural Improvements*, there are currently no rules nor regulations affecting the Veranda Community other than pursuant to the provisions of the Declaration and the Bylaws.

11. Purchase Agreement and Other Documents and Provisions affecting Purchasers

A copy of the Purchase Agreement to be entered into by a Purchaser for a Lot in the Veranda Community is attached to this document.

The Purchase Agreement defines and describes:

- a. the parties (Buyer and Seller)
- b. the Property being purchased
- c. the construction of a Home on the Property being purchased
 - 1) description of the Home
 - 2) plans and specifications
 - 3) options and custom changes
- d. the Purchase Price for the Property being purchased
- e. Settlement Date
- f. Release to Construction and Addendum
- g. Earnest Money Deposit(s):
 - 1) amount
 - 2) who holds
- h. Option/Custom Change Deposit(s)
- i. Buyer acknowledgment of receipt of documents
 - 1) Limited Warranty applicable to the Home and
 - 2) Public Offering Statement applicable to the Property.
- j. mortgage financing contingency
- k. sale of property contingency
- l. construction of home provisions
- m. Settlement provisions
- n. disclosures
 - 1) radon gas
 - 2) mold
 - 2) pursuant to real estate licensing act and regulations
- o. default provisions
- p. notice provisions
- q. integration

There are no other documents to be signed by Purchasers of Lots prior to or at settlement of the purchase of a Lot except as may be required by any mortgage lender selected by the Purchaser and/or the entity selected by the Purchaser to insure title to the Lot, of which Declarant has no knowledge.

There is no financing for purchasers offered or arranged by the Declarant.

There are no restraints on alienation of any Lot.

12. Conditions affecting Title

Some or all of the Veranda Community is subject to recorded restrictions, easements and licenses. As of the date of this Statement, the following restrictions, easements or licenses appurtenant to or included in the Subject Property are recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania:

- a. The legal operation and effect of the set-back lines, plan notes, easements, conditions and encumbrances as shown on Subdivision Plan Book J-219, Page 98; and Subdivision Plan Book J-225, Page 16; Instrument No. 5816588-J; Instrument No. 5816590-J; Instrument No. J-2011-0037J; Instrument No. 2011-0191-J, and Instrument No. 2015-0097-J.
- b. Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners as set forth in Instrument No. 5333109; First Amendment in Instrument No. 5357020; Second Amendment in Instrument No. 5426493; Third Amendment in Instrument No. 5722786; Fourth Amendment in Instrument No. 5942378; and Fifth Amendment in Instrument No. 6217205.
- c. Rights granted to Defense Plan Corporation as set forth in Record Book A, Volume 36, Page 244.
- d. A Declaration of Taking as set forth in Record Book C, Volume 82, Page 386, Subject to right of way agreement as set forth in Record Book A, Volume 83, Page 367.
- e. Graveyard reservation as set forth in Record Book C, Volume 15, Page 274, any statutory or other legal requirements for the provisions for care and maintenance relating to gravesites, and an easement in favor of those who may be entitled to cross or re-cross land for the purpose of visiting graves or gravesites.
- f. Rights granted to LASA as set forth in Record Book C, Volume 94, Page 124; and Record Book 4021, Page 457, Instrument No. 5331962; Instrument No. 5411047; and Instrument No. 5695559.
- g. Development Grant Agreement as set forth in Instrument No. 5335581.
- h. Deed of Grant of Easement as set forth in Instrument No. 5280118.
- i. Rights granted to PPL Electric Utilities Corporation as set forth in Instrument No. 5379106; Instrument No. 5382814, and Instrument No. 5974789
- j. Deed of Dedication to the Township of East Hempfield as set forth in Instrument No. 5821734.
- k. Subject to a Storm Water Management and Declaration of Easement as set forth in Instrument No. 5913374.
- l. Rights granted to Verizon Pennsylvania as set forth in Instrument No. 5928207

13. Other Documents and Provisions regarding the Veranda Community

The Association may enter into a property management contract with a property management company ("Management Contract"). Any Management Contract will provide that the Management Contract may be terminated, upon not less than 90 days' notice, without penalty by the Association at any time after the end of the Development Period¹². Other than a Management Contract, there are no contracts, leases nor agreements of a material nature to the Veranda Community that will or may be subject to cancellation by the Association under § 5305 of the Act (relating to termination of contracts and leases of Declarant).

There are no judgments against the Association, nor any pending suits to which the Association is a party nor any pending suits material to the Veranda Community of which the Declarant has actual knowledge.

There are no outstanding and uncured notices of violations of governmental requirements affecting the Veranda Community.

There are restraints on alienation of Common Elements. The Association may not dispose of the Common Facilities, by sale or otherwise, except upon Conveyance of the Common Facilities to a Governmental/Public Service Entity or other organization which such other organization has been organized for, or has adopted the purpose of, ownership of the Common Facilities and performance of the duties and obligations of the Association as set forth in the Governing Documents, subject to the provisions of §5318 of the Act.

The Declarant has no knowledge of: (i) Hazardous conditions, including contamination, affecting the planned community site by hazardous substances, hazardous wastes or the like or the existence of underground storage tanks for petroleum products or other hazardous substances. (ii) Any investigation conducted to determine the presence of hazardous conditions on or affecting the planned community site, or (iii) Any finding or action recommended to be taken in the report of any such investigation or by any governmental body, agency or authority, in order to correct any hazardous conditions and any action taken pursuant to those recommendations.

The address and phone number of the regional office of the Department of Environmental Resources (now Department of Environmental Protection) where information concerning environmental conditions affecting the Veranda Community may be obtained is:

Department of Environmental Protection
43 Brookwood Avenue
Suite 4
Carlisle, PA 17013

(717) 240-7812

The address and phone number of the regional office of the United States Environmental Protection Agency where information concerning environmental conditions affecting the Veranda Community may be obtained is

: United States Environmental Protection Agency (800) 438-2472 or (800) 814-5000
1650 Arch Street
Philadelphia, PA 19103

¹² See Footnote 7 on page 10.

14. Insurance Coverage

The following insurance coverage is provided or intended to be provided by the Association for the benefit of Lot Owners pursuant to the provisions of which,

- (1) Each Lot Owner is or shall be an insured person under the policy with respect to liability arising out of his or her membership in the Association;
- (2) The insurer waives or shall waive its right to subrogation under the policy against any Lot Owner or member of the Owner's household.
- (3) No act or omission by any Lot Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.
- (4) If at the time of a loss under the policy there is other insurance in the name of a Lot Owner covering the same risk covered by the policy, the Association's policy is primary insurance not contributing with the other insurance:

comprehensive general liability insurance, including medical payments insurance, in an amount determined by the executive board but not less than in the amount of \$1,000,000.00 covering all occurrences commonly insured against for death and bodily injury and \$500,000 covering all occurrences commonly insured against for property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements which such insurance shall name East Hempfield Township, its elected and appointed officials, employees and agents as additional insureds.

There is no insurance provided nor intended to be provided by the Association which includes improvements or betterments made to Lots.

15. Warranties

The Declarant warrants that each Lot will comply with all laws, ordinances, rules and regulations of all governmental entities having jurisdiction thereof and will be served by Public Water, Public Sewer, Electric, Gas, and Telephone service (referred to collectively as "Utilities") and for which all approvals, permits and contracts from all governmental entities having jurisdiction thereof and providers of Utilities therefor for construction of a single family home thereon are immediately obtainable and, upon the completion of the construction of a home thereon in accordance with all requirements of all governmental entities having jurisdiction thereof and in accordance with the requirements of all entities providing Utilities (including without limitation payment for and compliance with all requirements for the obtaining of approvals, permits and contracts for such construction and provision of Utilities), a certificate of occupancy shall be immediately obtainable therefore.

The Declarant also provides each home buyer with the warranties contained in Section 5411(b) of the Pennsylvania Uniform Planned Community Act (the "Act") (for two years from the date of closing of the purchase of the Property, Declarant warrants against defects in components constituting the unit which reduce the stability or safety of the structure below accepted standards or restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration or replacement). Nothing in this section shall be construed to make the Declarant responsible for any items of maintenance relating to the unit purchased.

Except for any manufacturers' warranties and any limited warranty that may be provided, and except for the warranties provided pursuant to the Act, DECLARANT MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THOSE OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, WORKMANLIKE CONSTRUCTION, HABITABILITY, DESIGN, CONDITION (INCLUDING AS TO LATENT DEFECTS), QUALITY OR OTHERWISE AS TO THE PLANNED COMMUNITY AND THE UNIT AND OTHER IMPROVEMENTS CONSTRUCTED THEREON, AND DECLARANT HEREBY EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES TO THE FULLEST EXTENT PERMITTED BY THE ACT. By accepting a Deed to a Unit, the Buyer acknowledges and accepts such disclaimer and agrees to waive any and all rights the Buyer may have by virtue of such representations and warranties. This exclusion shall be in addition to any exclusions set forth in any Purchase Agreement between the Buyer and the Declarant.

16. Property Restrictions

The use of each Lot in the Veranda Community is limited by restrictions and obligations set forth in Article VI of the Declaration.

Restrictions affect buildings, occupancies, pets and animals, vehicles, fences, signs, drainage and other requirements.

Construction of any improvement to any Lot within the Subject Property which such construction shall require a permit therefor from any governmental entity having jurisdiction thereof; construction or placement of any structure, improvement or item on a Lot appurtenant to the single family residential dwelling house on the Lot including, but not limited to, any garage, carport, patio cover, greenhouse, pool house, shed, storage building, playhouse or play structure, fireplace, grill, or other cooking or food preparation facility (excepting such of which as are portable and, when not in use, are stored within a structure), poles, wires, ropes, or other fixtures or appliances or portion thereof upon which laundry is hung or exposed, dog house, kennel or dog run, or any roofed, covered, or enclosed shelter of any manner or kind; any alteration, modification or change in or to any of the exterior components, fixtures, materials, colors, and/or appearance of any building, fence, wall or other structure or any portion thereof (including without limitation, any painting or staining thereof); any addition to and/or demolition or removal of any building, fence, wall or other structure or any portion thereof; construction or placement on the Lot of any swimming pool; installation, placement or construction of mailbox(es) or mailbox supports, except for the substantially similar replacement of the mailbox and mailbox support installed contemporaneously with the construction of the residential structure on the Lot; installation of lighting fixtures, illuminating devices or illumination sources, including but not limited to lamppost lights, anywhere on a Lot excepting only such lighting fixtures, illuminating devices or illumination sources installed wholly within a building on a Lot; fencing, together with landscaping adjacent or in proximity thereto; and Any flower or vegetable garden maintained on any Lot in excess of three hundred (300) square feet in area are "Architecturally Controlled Improvements" and no Architecturally Controlled Improvement is permitted to commence or remain unless and until approved by the Executive Board.

The Executive Board has created an Architectural Review/Landscape Review Committee for the purpose of reviewing and making recommendations to the Executive Board regarding requests for approval of Architecturally Controlled Improvements in accordance with Section 6.15 of the Declaration.

The Architectural Review/Landscape Review Committee has issued *Guidelines for Architectural Improvements*, a copy of which is included as part of this Public Offering Statement.

The Association, any Lot Owner, or other person with interest in a Lot or portion of the Planned Portion, may enforce these restrictions by legal means.

17. Annexation. Merger and Dissolution

No additional properties may be included in, or "added on", to the overall tract of land identified as Veranda (such adding on is referred to as "annexation").

The documents provide that, in the event that the Association is dissolved, the Common Land must be conveyed to another entity which would continue to hold the Common Land for the enjoyment of all Lot Owners subject to the provisions of the Act.

Pursuant to the provisions of 68 P.S.C.A Section 5201
this Declaration shall be recorded
in the Office of the Recorder of Deeds
in and for Lancaster County, Pennsylvania
and is to be indexed in the same records
as are notarized for the recording of a deed
and shall identify **Hempfield Valley Partnership** (Declarant)
as the **grantor**, and
Veranda, a Planned Community (Name of Planned Community)
as the **grantee**.

The real property made subject to this Declaration
is located in
East Hempfield Township,
Lancaster County,
Pennsylvania

**DECLARATION
OF COVENANTS, RESTRICTIONS, EASEMENTS
AND ESTABLISHMENT OF HOMEOWNERS ASSOCIATION
FOR VERANDA, A PLANNED COMMUNITY
IN EAST HEMPFIELD TOWNSHIP, LANCASTER COUNTY, PENNSYLVANIA**

AS AMENDED THROUGH

**FIFTH AMENDMENT TO
DECLARATION
OF COVENANTS, RESTRICTIONS, EASEMENTS
AND ESTABLISHMENT OF HOMEOWNERS ASSOCIATION
FOR VERANDA, A PLANNED COMMUNITY
IN EAST HEMPFIELD, LANCASTER COUNTY, PENNSYLVANIA**

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DECLARATION
OF COVENANTS, RESTRICTIONS, EASEMENTS
AND ESTABLISHMENT OF HOMEOWNERS ASSOCIATION
FOR VERANDA, A PLANNED COMMUNITY
IN EAST HEMPFIELD TOWNSHIP, LANCASTER COUNTY, PENNSYLVANIA

This Declaration is made this ____ day of _____, 2004 by Hempfield Valley Partnership, a Pennsylvania partnership(herein referred to as "Declarant").

PREAMBLE

WHEREAS, Declarant is the owner of all of the real property described in Exhibit "A" attached to and made a part of this Declaration (herein referred to as the "Overall Property"); and

WHEREAS, Declarant desires to create a flexible planned community within the Overall Property, and to submit the Overall Property to the provisions of the Uniform Planned Community Act, 68 Pa.C.S. § 5101, *et seq.* (herein referred to as the "Act"). The Overall Property is herein referred to as the "Community of Veranda or the "Community"; and

WHEREAS, pursuant to the provisions of the Act, by the this Declaration and Amendments hereto, Units and Common Elements are created within portions of the Overall Property (the portion of the Overall Property in which Units and Common Elements are created is herein referred to as the "Incorporated Property"); and

WHEREAS, all of the Overall Property which is not Incorporated Property is herein referred to as both "Convertible Real Estate" and "Withdrawable Real Estate," within which, pursuant to the provisions of the Act and this Declaration, additional Units and Common Elements may be created, or which, subject to the consent of East Hempfield Township, may be withdrawn from the Community and from the provisions of this Declaration. The portion of the Overall Property not withdrawn from the Community and from the provisions of this Declaration is herein referred to as the "Subject Property"; and

WHEREAS, from time to time, portions of the Subject Property may be approved for development and/or subdivision pursuant to the requirements of all governmental entities having jurisdiction thereof (which such portions of the Subject Property so approved for development and/or subdivision are herein referred to individually as a "Property Phase" and collectively as "Property Phases" and the approved, by all governmental entities having jurisdiction thereof, plans of development and/or subdivision of Property Phases are herein referred to individually as a "Subdivision Plan" and collectively as "Subdivision Plans"); and

WHEREAS, a Property Phase of the Subject Property, described in Exhibit "B" attached to and made a part of this Declaration as Incorporated Real Estate (herein referred to as "Phase 1"), has been approved for subdivision by East Hempfield Township, Lancaster County, Pennsylvania as shown on that certain plan identified as *Final Subdivision Plan - Phase 1, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania*, prepared by Alpha Consulting Engineers, New Cumberland, Pennsylvania dated November 7, 2003, last revised April 5, 2004 (herein referred to as "Phase 1 Subdivision Plan") and which such Property Phase of the Subject Property has been subdivided by the recordation of a portion of said Subdivision Plan in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on April 23, 2004 as Document Number 5313183 in Subdivision Plan Book J-219, Page 98; and

WHEREAS, the Subject Property, situate in East Hempfield Township, Lancaster County, Pennsylvania, is shown on Sheet 3 of 21 of the Phase 1 Subdivision Plan (herein referred to as "Overall Development Plan"), as such Overall Development Plan as amended if amended may be approved, in whole or in Property Phases, by East Hempfield Township; and

WHEREAS, subdivision, development and improvement of the Subject Property has been approved by East Hempfield Township, Lancaster County, Pennsylvania pursuant to the provisions of the East Hempfield Township Zoning Ordinance as amended. which such subdivision, improvement and development of the Subject Property pursuant to Subdivision Plans (including without limitation the Phase 1 Subdivision Plan) and the Overall Development Plan all as amended, if amended, is herein referred to as "Approved Development"); and

WHEREAS, Declarant desires to develop and improve the Subject Property pursuant to the Overall Development Plan, as amended if amended, and, further, Declarant desires to develop and improve Phase 1 pursuant to the Phase 1 Subdivision Plan, as amended if amended, as the same shall be approved by East Hempfield Township and pursuant to all requirements of all governmental entities having jurisdiction thereof, subject to the rights of Declarant as set forth herein to modify the Subdivision Plans and the Overall Development Plan, with the intent that the Owners of the Residential Dwelling Unit Lots and the owners and occupants of the dwellings constructed on the Subject Property and their invited guests may have the benefit, use and enjoyment of certain portions and improvements to the Subject Property as and when developed which shall include all those certain portions of the Subject Property defined in this Declaration as Open Space together with all improvements to such Open Space, together with certain areas and improvements to the Subject Property providing vehicular and pedestrian access to portions of the Subject Property and storm water management, subject to the obligation of each Owner of any part of the Subject Property to contribute to the cost of maintenance and improvement of the Open Space, improvements thereto, storm water management facilities and areas and improvements to the Subject Property providing vehicular and pedestrian access, and all other obligations of the Association all as more fully set forth in this Declaration; and

WHEREAS, the Declarant desires to provide for the preservation and enhancement of the property values, amenities, and opportunities in the Subject Property contributing to the personal and general health, safety and welfare of residents and for the maintenance of the Common Elements, and to this end desires to make the Subject Property subject to the terms and provisions of the Pennsylvania Uniform Planned Community Act and pursuant to the provisions of said Act, to make provision for the maintenance and administration of the Common Elements, the performance of all other obligations of the Association, the enforcement of covenants and restrictions set forth in this Declaration or in any document or plan referred to in this Declaration, and the method by which assessments and charges shall be made and enforced against each parcel of land which has been made subject to this Declaration or any Supplement or Amendment hereto and the Owner thereof for the aforesaid purposes and to subject the Subject Property to the covenants, restrictions, easements, charges and liens set forth in this Declaration, each and all of which is and are for the benefit of the Subject Property and for each Owner of a part thereof; and

WHEREAS, to provide a means for meeting the purposes and intents set forth in this Declaration, the Act, and the requirements of the Township of East Hempfield, Lancaster County, Pennsylvania, the Declarant has incorporated, under the laws of the Commonwealth of Pennsylvania, the "Veranda Neighborhood Association, Inc.," a non-profit corporation in which each Lot Owner in the Subject Property shall be a Member and which such Membership shall run with and be inseparable from ownership of a Residential Dwelling Unit Lot in the Subject Property.

NOW, THEREFORE, Declarant hereby declares that the Subject Property, and each part of, or Residential Dwelling Unit Lot in, the Subject Property (excepting any part thereof, if any, Conveyed or to be Conveyed to Governmental/Public Service Entities) is and shall be held, transferred, sold, conveyed and occupied subject to the easements, covenants, conditions, restrictions, charges and liens set forth in this Declaration.

AND FURTHER, Declarant hereby delegates and assigns to the "Veranda Neighborhood Association, Inc." the power and duty of maintaining and administering the Common Elements, administering and enforcing the covenants and restrictions set forth in this Declaration, collecting and disbursing the assessments and charges hereinafter set forth in this Declaration, and promoting the recreation, health, safety, and welfare of the residents of the Community of Veranda.

AND FURTHER, the Subject Property is, by this Declaration, made a Planned Community (as such term is defined by the Act) in accordance with the provisions of the Act.

PREAMBLE TO SECOND AMENDMENT

WHEREAS, that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") is of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109; and

WHEREAS, the Subject Property (as such term is defined in Section 1.49 of this Declaration, as amended) has been made subject to the terms and conditions of this Declaration by the following documents:

that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109; and

that certain *First Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5357020; and

WHEREAS, as set forth in Section 2.5 of this Declaration, as amended, there are Eighty Six (86) Lots in the Subject Property (the terms "Lot" and "Unit" being synonymous as set forth in Section 1.35 of this Declaration); and

WHEREAS, Hempfield Valley Partnership and Charter Homes at Veranda, Inc., as the Owner of not less than, collectively, sixty five (65) of the Lots (being not less than seventy-five percent (75%) of the Lots within the Subject Property), desire to amend this Declaration pursuant to the terms of Section 9.3 of this Declaration.

NOW, THEREFORE, this Declaration is amended as follows:

PREAMBLE TO THIRD AMENDMENT

WHEREAS, that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") is of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109; and

WHEREAS, the Subject Property (as such term is defined in Section 1.49 of this Declaration, as amended) has been made subject to the terms and conditions of this Declaration by the following documents:

that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109; and

that certain *First Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5357020; and

that certain *Second Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5426493; and

WHEREAS, the Declaration was executed by **Hempfield Valley Partnership**, a Pennsylvania general partnership ("Declarant") in accordance with the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §5101, *et seq.* (the "Act"); and

WHEREAS, Property Phases of the Subject Property, described in Exhibit "G" attached to and made a part of this Declaration as Incorporated Property (herein referred to as "Phases 2 and 3"), have been approved for subdivision by East Hempfield Township, Lancaster County, Pennsylvania as shown on that certain plan identified as *Final Subdivision Plan Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania*, prepared by Alpha Consulting Engineers, Inc., dated July 23, 2004, last revised August 22, 2005 (herein referred to as "Phase 2 and 3 Subdivision Plan") and which such Property Phases of the Subject Property have been subdivided by the recordation of said Phase 2 and 3 Subdivision Plan in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on September 14, 2005 in Plan Book J-225, Page 16 as Instrument Number 5457990; and

WHEREAS, pursuant to the provisions of Section 3.5 of this Declaration, the right is reserved, to the Declarant, until the earlier of (a) that date which is seven (7) years after the date of recording of this Declaration, or (b) such time as all of the Subject Property shall have been Incorporated pursuant to the provisions of Section 3.5 of this Declaration to Incorporate portions of the Convertible Real Estate as Additional Incorporated Property and to Convert such Additional Incorporated Property into Residential Dwelling Unit Lots, Common Elements, and Limited Common Elements; and

WHEREAS, this Third Amendment to Declaration is executed and recorded prior to that date which is seven (7) years after the date of recording of this Declaration, and prior to such time as all of the Subject Property shall have been Incorporated pursuant to the provisions of Section 3.5 of this Declaration; and

WHEREAS, the portions of the Convertible Real Estate which are, by this Third Amendment to Declaration Incorporated as Additional Incorporated Property are portions of the Convertible Real Estate; and

WHEREAS, in accordance with the provisions of Section 3.5 of this Declaration, Declarant desires to amend the Declaration pursuant to the provisions of Section 5219 of the Act in accordance with Section 5211(a) of the Act, for the purpose of Incorporating Phases 2 and 3 as Additional Incorporated Property and to Convert such Additional Incorporated Property into Residential Dwelling Unit Lots, Common Elements, and Limited Common Elements.

NOW, THEREFORE, this Declaration is modified as follows:

PREAMBLE TO FOURTH AMENDMENT

WHEREAS, that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") is of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109; and

WHEREAS, the Subject Property (as such term is defined in Section 1.49 of this Declaration, as amended) has been made subject to the terms and conditions of this Declaration by the following documents:

that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109; and

that certain *First Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5357020; and

that certain *Second Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5426493; and

that certain *Third Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5722786; and

WHEREAS, the Declaration was executed by **Hempfield Valley Partnership**, a Pennsylvania general partnership ("Declarant") in accordance with the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §5101, *et seq.* (the "Act"); and

WHEREAS, a Property Phase of the Subject Property (herein referred to as "Phase 4"), has been approved for subdivision by East Hempfield Township, Lancaster County, Pennsylvania as shown on that certain plan identified as *Revised Preliminary/Final Subdivision Plan - Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania*, prepared by Alpha Consulting Engineers, Inc., dated April 22, 2010, last revised January 24, 2011 (herein referred to as "Phase 4 Subdivision Plan") and which such Property Phase of the Subject Property has been subdivided by the recordation of said Phase 4 Subdivision Plan in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on February 4, 2011 as Instrument Number 2011-0037-J; and

WHEREAS, pursuant to the provisions of Section 3.5 of this Declaration, the right is reserved, to the Declarant, until the earlier of (a) that date which is seven (7) years after the date of recording of this Declaration ("Incorporation Termination Date"), or (b) such time as all of the Subject Property shall have been Incorporated pursuant to the provisions of Section 3.5 of this Declaration to Incorporate portions of the Convertible Real Estate as Additional Incorporated Property and to Convert such Additional Incorporated Property into Residential Dwelling Unit Lots, Common Elements, and Limited Common Elements; and

WHEREAS, pursuant to Pennsylvania Statutes 72 P.S. § 1601-I, Act of July 6, 2010, P.L. 279 ("Act 46"), the expiration date of (1) the right to convert convertible real estate pursuant to 68 Pa.C.S. Pt. II Subpt. D (relating to planned communities) and (2) authorization creating additional units and common elements out of convertible real estate in a planned community, if in effect during the period beginning after December 31, 2008, and ending before July 2, 2013 ("Extension Period"), shall be automatically suspended during the extension period; and

WHEREAS, the Incorporation Termination Date was in effect during the Extension Period and pursuant to the provisions of Act 46, is suspended until July 2, 2013 (the "Extended Incorporation Termination Date"); and

WHEREAS, this Fourth Amendment to Declaration is executed and recorded prior to the Extended Incorporation Termination Date and prior to such time as all of the Subject Property shall have been Incorporated pursuant to the provisions of Section 3.5 of this Declaration; and

WHEREAS, the portions of the Convertible Real Estate which are, by this Fourth Amendment to Declaration Incorporated as Additional Incorporated Property are portions of the Convertible Real Estate; and

WHEREAS, in accordance with the provisions of Section 3.5 of this Declaration, Declarant desires to amend the Declaration pursuant to the provisions of Section 5219 of the Act in accordance with Section 5211(a) of the Act, for the purpose of Incorporating all of the Convertible Real Estate not heretofore Incorporated as Additional Incorporated Property and to Convert such Additional Incorporated Property into Residential Dwelling Unit Lots, Common Elements, and Limited Common Elements.

NOW, THEREFORE, this Declaration is modified as follows:

PREAMBLE TO FIFTH AMENDMENT

WHEREAS, the Subject Property (as such term is defined in Section 1.49 of this Declaration, as amended) has been made subject to the terms and conditions of this Declaration by the following documents:

that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* ("Declaration") of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109; and

that certain *First Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5357020; and

that certain *Second Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5426493; and

that certain *Third Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5722786; and

that certain *Fourth Amendment to Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of deeds in and for Lancaster County, Pennsylvania as Instrument Number 5942378; and

WHEREAS, the Owner of Units 164 through 167 inclusive and Units 181 through 184 inclusive has, pursuant to Section 5214 of the Act, made application to the Association to relocate the boundaries between Units 164 through 167 inclusive and Units 181 through 184 inclusive from those boundaries as shown on the Plats and Plans which are a part of this Declaration (as amended through the Fourth Amendment to this Declaration), to those boundaries as shown on that certain *Veranda Minor Revised Subdivision Plan Lots 164-167 and 181-184, A Planned Community East Hempfield Township, Lancaster County, Pennsylvania* recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania as Instrument Number 2015-0097-J; and

WHEREAS, the Executive Board has determined that the revisions of the boundaries between Units 164 through 167 inclusive and Units 181 through 184 inclusive in accordance with the application of the Owner are not unreasonable; and

WHEREAS, the owner of all of Units 164 through 167 inclusive and Units 181 through 184 inclusive has specified and agreed that there is no reallocation between each of Units 164 through 167 inclusive and each of Units 181 through 184 inclusive of the Association Interest, allocated votes in the association and Common Expense Liability of each of the Units; and

WHEREAS, this Amendment, pursuant to the provisions in this Declaration assigning Association Interest, votes in the Association, and Common Expense Liability to Residential Dwelling Unit Lots within the Community, states the reallocations of the Association Interest, votes in the Association and Common Expense Liability resulting from the alterations to the boundaries, locations, and dimensions of Units the boundaries of which are revised by this Amendment; and

WHEREAS, Hempfield Valley Partnership, the owner of all of the Lots the boundaries of which are revised by this Fifth Amendment to Declaration, hereby states and acknowledges that, by its execution of this Fifth Amendment to Declaration, Hempfield Valley Partnership does hereby make the grants and conveyances set forth herein; and

WHEREAS, pursuant to § 5214 of the Act and pursuant to Section 2.1.1.4. of this Declaration as amended, this Fifth Amendment to Declaration identifies the units involved, states the reallocations, is executed by the Unit Owners of the Units the boundaries of which are by this Fifth Amendment to Declaration are relocated, contains words of conveyance between such Unit Owners and, upon recording, is indexed in the name of the grantor and the grantee; and

WHEREAS, the Plat(s) and Plan(s) attached to this Fifth Amendment to this Declaration, pursuant to § 5214 of the Act, are the prepared and, upon recording, recorded plats or plans necessary to show the altered boundaries between adjoining units and their dimensions and identifying numbers; and

NOW, THEREFORE, in accordance with the provisions of Section 5214 of the Act,

by this Amendment, Hempfield Valley Partnership, the Owner of Unit 165 hereby grants and conveys to itself, as the Owner of Unit 164, the area shown and delineated as Area "A" on Exhibit "I" attached hereto and made a part hereof; and

by this Amendment, Hempfield Valley Partnership, the Owner of Unit 165 hereby grants and conveys to itself, as the Owner of Unit 166, the area shown and delineated as Area "B" on Exhibit "I" attached hereto and made a part hereof; and

by this Amendment, Hempfield Valley Partnership, the Owner of Unit 166 hereby grants and conveys to itself, as the Owner of Unit 167, the area shown and delineated as Area "C" on Exhibit "I" attached hereto and made a part hereof; and

by this Amendment, Hempfield Valley Partnership, the Owner of Unit 165 hereby grants and conveys to itself, as the Owner of Unit 167, the area shown and delineated as Area "D" on Exhibit "I" attached hereto and made a part hereof; and

by this Amendment, Hempfield Valley Partnership, the Owner of Unit 182 hereby grants and conveys to itself, as the Owner of Unit 181, the area shown and delineated as Area "E" on the Revised Plats and Plans attached hereto and made a part hereof; and

by this Amendment, Hempfield Valley Partnership, the Owner of Unit 183 hereby grants and conveys to itself, as the Owner of Unit 182, the area shown and delineated as Area "F" on the Revised Plats and Plans attached hereto and made a part hereof; and

by this Amendment, Hempfield Valley Partnership, the Owner of Unit 184 hereby grants and conveys to itself, as the Owner of Unit 183, the area shown and delineated as Area "G" on Exhibit "I" attached hereto and made a part hereof; and

pursuant to the provisions of Section 1.7 of this Declaration the Association Interest of each Unit is the quotient of one (1) divided by the then number of Residential Dwelling Unit Lots in the Incorporated Property, the Association Interest of all Residential Dwelling Unit Lots in the Incorporated Property and the Common Expense Liability of all Residential Dwelling Unit Lots in the Incorporated Property will increase 1.06% from 0.5181% to 0.5236% as a result of the reallocation of the boundaries between Units 164 through 167 inclusive and Units 181 through 184 inclusive in accordance with the application of the Owner; and

pursuant to the provisions of Section 4.4 of this Declaration, the Owner, or owners collectively if more than one, of each individual Residential Dwelling Unit Lot shall constitute one Member of the Association, the Association shall have such number of Memberships as there are Residential Dwelling Unit Lots in the Subject, and each Membership shall have one vote in the Association, the votes in the Association of Units 164 through 167 inclusive and Units 181 through 184 inclusive will not change as a result of the reallocation of the boundaries between Units 164 through 167 inclusive and Units 181 through 184 inclusive in accordance with the application of the Owner.

AND, FURTHER, NOW, THEREFORE, in accordance with the provisions of Section 5214 of the Act, by this Fifth Amendment, this Declaration is modified as follows:

ARTICLE I

DEFINITIONS

In addition to the terms set forth in this Article I, words and terms in this Declaration shall be defined pursuant to the provisions of the Act unless inconsistent therewith, in which case this Declaration shall control.

- 1.1. "Act" shall mean and refer to the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §5101, *et seq.*
- 1.2. "Additional Incorporated Property." See Incorporated Property.
- 1.3. "Alleys" shall mean and refer to the Alley Rights-of-Way and the Alley Cartways within the Alley Rights-of-Way and shall mean and refer to all those certain rights in, and improvements to the Subject Property designated for, and shown on Subdivision Plans as and for vehicular access to Lots and other portions of the Subject Property which such Rights-of-Way are twenty (20) feet in width or less.
 - 1.3.1. "Alley Rights-of-Way" shall mean and refer to the perpetual easement rights and privilege of access for ingress, egress, and regress on, over, through and within all those certain portions of the Subject Property depicted and shown on the Subdivision Plan as for the purpose of vehicular access to Lots and other portions of the Subject Property which such Alley Rights-of-Way are twenty (20) feet in width or less.
 - 1.3.2. "Alley Cartways" shall mean and refer to all pavement, curbs, and other components and facilities appurtenant thereto as are constructed within the Alley Rights-of-Way for the purpose of driving of vehicles thereon (but excluding therefrom any Driveways).
- 1.4. "Approved Development" shall mean and refer to the development and improvement of the Subject Property pursuant to and in accordance with
 - 1.4.1. Subdivision Plans, as the same may be modified, as approved by East Hempfield Township, Lancaster County, Pennsylvania;and
 - 1.4.2. the East Hempfield Township Zoning Ordinance, as the same may be amended
- 1.5. "Assignee Declarant." See Declarant.
- 1.6. "Association" shall mean and refer to the Veranda Neighborhood Association, Inc., a Pennsylvania non-profit corporation, its successors and assigns as organized pursuant to the provisions of the Act and with, except as specifically granted or limited as set forth in this Declaration, all powers described in the Act.
- 1.7. "Association Interest" shall mean and refer to the relative interest in the Association of each Residential Dwelling Unit Lot. The Association Interest of each Residential Dwelling Unit Lot shall be the quotient of one (1) divided by the then number of Residential Dwelling Unit Lots in the Incorporated Property.

- 1.8. "Common Driveways." See Driveways
- 1.9. "Common Elements" shall mean and refer to the Common Facilities and the Controlled Facilities.
- 1.9.1. "Common Facilities" shall mean and refer to the General Common Facilities and the Limited Common Facilities.
- 1.9.1.1. "General Common Facilities" shall mean all real property interest (including all of the improvements thereto) of all of the Subject Property not designated as Residential Dwelling Unit Lots, including therein lands defined in this Declaration as Open Space, Alleys, and Roadways within the Subject Property not accepted for dedication by any Governmental/Public Service Entity, and the Storm Water System, all excluding areas and improvements Conveyed or to be Conveyed to any Governmental/Public Service Entity, and all excepting the Limited Common Facilities.
- 1.9.1.2. "Limited Common Facilities" shall mean and refer to Common Facilities allocated for the exclusive use appurtenant to one or more but fewer than all of the Lots. Limited Common Facilities are set forth in Section 2.7.2 of this Declaration.
- 1.9.2. "Controlled Facilities" shall mean and refer to those portions of the Subject Property whether or not a part of a Unit, which are not Common Facilities but are maintained, improved, repaired and replaced by the Association. Controlled Facilities are set forth in Section 2.7.4 of this Declaration.
- 1.10. "Common Expense Liability" shall mean and refer to liability of each Residential Dwelling Unit Lot for a proportionate share of General Common Expenses and Special Allocation Expenses. The Common Expense Liability of each Residential Dwelling Unit Lot each year is the product of the Association Interest of such Residential Dwelling Unit and the General Common Expense Budget together with the Special Allocation Expense Assessment against such Residential Dwelling Unit Lot all as duly adopted pursuant to the provisions of Sections 5.4 and 5.5 of this Declaration.
- 1.11. "Common Open Space." See Open Space.
- 1.12. "Common Facilities." See Common Elements.
- 1.13. "Community" or "Community of Veranda" shall mean and refer to the Subject Property as developed in accordance with the Approved Development, if and as modified, into Residential Dwelling Unit Lots, Common Elements, and areas Conveyed or to be Conveyed to Governmental/Public Service Entities.
- 1.14. "Controlled Facilities." See Common Elements.

- 1.15. "Convert" or "Conversion" shall mean and refer to the creation of Residential Dwelling Unit Lots, Common Elements, and Limited Common Elements within Additional Incorporated Property in accordance with the provision of Section 3.5 of this Declaration.
- 1.16. "Convertible Real Estate" shall mean and refer to all portions of the Subject Property excepting thereout and therefrom the Incorporated Property. Convertible Real Estate is also Withdrawable Real Estate.
- 1.17. "Convey" or "Conveyance" shall mean and refer to the act of conveyance, dedication, lease, grant of easement or license, or any other similar grant of an interest in real property, together with the acceptance thereof by the grantee.
- 1.18. "Declarant" shall mean and refer to Hempfield Valley Partnership, a Pennsylvania partnership, its successors and assigns for the purpose of development, which shall, unless such is expressly delegated and assumed in writing with notice to East Hempfield Township pursuant to Section 2.10.1 of this Declaration, have common authority and responsibility for development of the Subject Property. Declarant may assign the rights and delegate the duties of Declarant herein in whole or in part to one or more assignees, who shall, unless expressly assuming, in writing, such common authority and responsibility for development of the Subject Property, be (an) Assignee Declarant(s). There is no limit to the number of persons or entities who may become Assignee Declarants, but Declarant shall retain such common authority and responsibility for development of the Subject Property unless expressly delegated and assumed in writing with notice to East Hempfield Township pursuant to Section 2.10.1 of this Declaration.
- 1.19. "Declaration" shall mean and refer to the terms, easements, covenants, conditions, restrictions, charges and liens set forth in this Declaration and all other provisions set forth in this entire document, as they may be duly amended from time to time.
- 1.20. "Development Period" shall mean and refer to the time period commencing on the date of the first conveyance of a Unit to a person other than a Declarant or Assignee Declarant and continuing until the earliest of the following events:
- 1.20.1. Sixty days after conveyance by Declarant to persons other than a Declarant or Assignee Declarant of One Hundred Eighty (180) Units (being 75% of the Units which may be created pursuant to the terms of this Declaration), or
- 1.20.2. Seven (7) years from the date hereof, or
- 1.20.3. Two (2) years after all Declarant(s) and/or Assignee Declarant(s) have ceased to offer Lots for sale in the ordinary course of business; or
- 1.20.4. The date designated, by notice in writing, from the Declarant to the Executive Board of the Association as the date of termination of the Development Period.

- 1.21. "Driveways" shall mean and refer to "Common Driveways" and "Individual Driveways."
- 1.21.1. "Common Driveways" shall mean and refer to all pavement, curbs, and other components and facilities appurtenant thereto, not within any structure and not within any Roadway Rights-of-Way or Alley Rights-of-Way, as are constructed within the Subject Property for the purpose of vehicular access to more than one Lot..
- 1.21.2. "Individual Driveways." shall mean and refer to all pavement, curbs, and other components and facilities appurtenant thereto, not within any structure, as are constructed within the Subject Property (including any portion thereof constructed within any Roadway Rights-of-Way or Alley Rights-of-Way) for the limited purpose of vehicular access to not more than one Lot.
- 1.22. "Dwelling" shall mean and refer to the principal structure erected or constructed on a Residential Dwelling Unit Lot, used or to be used as the residence of natural persons, and shall mean and refer to Attached Dwelling and Single Family Dwelling.
- 1.22.1. "Attached Dwelling" shall mean and refer to any Dwelling erected or constructed such that at least one wall of the structure is a common wall with another Dwelling.
- 1.22.2. "Single Family Dwelling" shall mean and refer to any Dwelling erected or constructed such that no part of the structure is a common wall with another Dwelling.
- 1.23. "Executive Board" shall mean and refer to the body of persons, duly elected or appointed pursuant to the provisions of Section 4.5 of this Declaration and the Bylaws of this Association, designated and empowered by this Declaration to act on behalf of the Association and which shall manage the business and affairs of the Association in compliance with, and subject to, the provisions of the Act..
- 1.24. "Financing Agencies" shall mean and refer to those federal, state, local and private agencies and entities which regulate, participate, or otherwise have an interest in the financing, whether the primary or secondary mortgage market, security, title, or conveyancing or real property interests in the Community including but not limited to the Department of Housing and Urban Development, Federal Housing Administration, Federal Home Administration, Veterans Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and other similar entities.
- 1.25. "Governing Documents" shall mean and refer to this Declaration, the Articles of Incorporation of the Association, and the Association Bylaws as all may be duly amended from time to time.
- 1.26. "Governmental/Public Service Entity" shall mean and refer to the public, any governmental or quasi-governmental entity, public corporation, agency or authority, public or private utility, or similar entity acting on behalf of, or in service to, the public.
- 1.27. "Improvements" shall mean and refer to all those changes, items and facilities set forth on (a) Exhibits "C" hereto and (b) shown on the Phase 2 and 3 Subdivision Plan and the Phase 4 Subdivision Plan which shall be made to, constructed on, or placed within the Subject Property.

- 1.28. "Incorporate" or "Incorporation" shall mean and refer to the designation of portions of the Convertible Real Estate as Incorporated Property in accordance with the provisions of Section 3.5 of this Declaration.
- 1.29. "Incorporated Property" shall mean and refer to Initial Incorporated Property and Additional Incorporated Property.
- 1.29.1. "Initial Incorporated Property" shall mean and refer to that certain real property described in Exhibit "B" attached hereto and made a part hereof
- 1.29.2. "Additional Incorporated Property" shall mean and refer to additions to the Initial Incorporated Property made pursuant to the provision of Section 3.5 of this Declaration
- 1.30. "Individual Driveways." See Driveways
- 1.31. "Initial Incorporated Property." See Incorporated Property.
- 1.32. "Institutional Lender" shall mean and refer to one or more lenders regularly engaged in financing the purchase, construction, or improvement of real estate including but not limited to commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts including but not limited to real estate investment trusts; or any assignee of loans made by such lenders; or any governmental or private institution which insures the loans of such lenders; or any combination of the foregoing entities.
- 1.33. "Limited Common Elements." See Common Elements.
- 1.34. "Limited Common Facilities." See Common Elements.
- 1.35. "Lot," "Residential Dwelling Unit Lot," and "Unit" are synonymous and each shall mean and refer to each and every one of those certain parcels of land, shown on the Subdivision Plan as numbered lots or parcels, upon each of which one or more residential dwellings are or may be erected. The term "Lot" shall not be construed to include Common Facilities including but not limited to Open Space. The term "Lot," "Residential Dwelling Unit Lot," or "Unit" shall not be construed to include lands Conveyed or to be Conveyed to Governmental/Public Service Entities.
- 1.36. "Lot Owner." See Owner
- 1.37. "Member" or "Membership" shall mean and refer to members of the Association. The owner, or owners collectively if more than one, of each individual Residential Dwelling Unit Lot shall constitute one Member of the Association. Each Member shall hold one Membership in the Association. The Association shall have such number of Memberships as there are Residential Dwelling Unit Lots in the Incorporated Property.

- 1.38. "Open Space," shall mean and refer to those certain parcels of land, shown on the Subdivision Plan as Open Space , upon each of which residential dwellings may not be erected. Open Space is set forth in Section 2.7.1.3 of this Declaration.
- 1.39. "Overall Development Plan" shall mean and refer to Sheet 3 of 21 of the Phase 1 Subdivision Plan as such Overall Development Plan, as amended, if amended, shall have been approved by East Hempfield Township.
- 1.40. "Overall Parcel" shall mean and refer to that certain real property described in Exhibit "A" attached hereto and made a part hereof.
- 1.41. "Owner," "Lot Owner," and "Unit Owner" are synonymous and each shall mean and refer to the record owner, whether one or more persons and/or entities, of a Residential Dwelling Unit Lot which is a part of the Subject Property, excluding those having such interest, however described, merely as security for the performance of an obligation. Provided, however, a mortgagee in possession shall be deemed an Owner during the time of possession.
- 1.42. "Phase 1 Subdivision Plan; Phase 2 and 3 Subdivision Plan; Phase 4 Subdivision Plan." See Subdivision Plans
- 1.43. "Residential Dwelling Unit Lot." See Lot.
- 1.44. "Roadways" and "Streets" are synonymous and each shall mean and refer to the Roadway Rights-of-Way and the Roadway Cartways within the Roadway Rights-of-Way and shall mean and refer to all those certain rights in, and improvements to the Subject Property designated for, and shown on Subdivision Plans as and for vehicular access to Lots and other portions of the Subject Property which such Rights-of-way are in excess of twenty (20) feet in width.
- 1.44.1. "Roadway Rights-of-Way" shall mean and refer to the perpetual easement rights and privilege of access for ingress, egress, and regress on, over, through and within all those certain portions of the Subject Property depicted and shown on the Subdivision Plan as for the purpose of vehicular access to Lots and other portions of the Subject Property which such Roadway Rights-of-Way are in excess of twenty (20) feet in width.
- 1.44.2. "Roadway Cartways" shall mean and refer to all pavement, curbs, and other components and facilities appurtenant thereto as are constructed within the Roadway Rights-of-Way for the purpose of driving of vehicles thereon (but excluding therefrom any Driveways).
- 1.45. "Single Family Dwelling." See Dwelling.
- 1.46. "Storm Water System" shall mean and refer to the Storm Water Facilities and the Storm Water Easements and shall mean and refer to all those certain rights in, and improvements to, *inter alia*, the Overall Property designated for the purpose of storm water drainage detention, retention and/or control of the volume and/or rate and/or the direction of storm water.

- 1.46.1. "Storm Water Facilities" shall mean and refer to all basins, pipes, swales, inlets, outfalls, dissipaters, spreaders, systems and other components and facilities appurtenant thereto as are constructed for the purpose of storm water drainage management, (but excluding therefrom any such facilities, such as roof drain infiltrator systems, which are located entirely within, and for the sole purpose of storm water management within, the boundaries of a single Residential Dwelling Unit Lot).
- 1.46.2. "Storm Water Easements" shall mean and refer to the perpetual easement rights and privilege of access for ingress, egress, and regress on, over, through, under and within all those certain portions of the Subject Property depicted and shown on the Subdivision Plans as "Drainage Easement," "SWM Easement," "Stormwater Management Easement," and "Storm Sewer Easement" for the purpose of installing, operating, inspecting, replacing, adding to, maintaining and repairing the Storm Water Facilities as necessary or desirable in connection with operation of the Storm Water Facilities; and
- 1.47. "Streets." See Roadways.
- 1.48. "Subdivision Plans" shall mean and refer to such plans of development and/or subdivision of Property Phases as are approved by all government entities having jurisdiction including without limitation, approved by East Hempfield Township pursuant to the East Hempfield Subdivision and Land Development Ordinance, as amended and shall include without limitation the Phase 1 Subdivision Plan and the Phase 2 and 3 Subdivision Plan, the Phase 4 Subdivision Plan as superseded in part by the Veranda Minor Revised Subdivision Plan Lots 164-167 and 181-184.

In the event that any Subdivision Plan is revised or modified and approved by all government entities having jurisdiction as revised or modified, such revised or modified and approved Subdivision Plan shall replace and supercede any and all previous Subdivision Plans to the extent of any and all differences between Subdivision Plans.

- 1.48.1. "Phase 1 Subdivision Plan" shall mean and refer to that certain set of plans, comprised of sheets numbered 1-21 inclusive, collectively identified as *Final Subdivision Plan - Phase 1, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania*, prepared by Alpha Consulting Engineers, New Cumberland, Pennsylvania dated November 7, 2003, last revised April 5, 2004 as approved by, and on file with, East Hempfield Township, Lancaster County, Pennsylvania pursuant to the provisions of the East Hempfield Township Zoning Ordinance as amended, a portion of such *Final Subdivision Plan - Phase 1, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania* being recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on April 23, 2004 as Document Number 5313183 in Subdivision Plan Book J-219, Page 98 as modified by that certain plan identified as *Revised Final Subdivision Plan - Phase 1, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania*, prepared by Alpha Consulting Engineers, New Cumberland, Pennsylvania dated July 3, 2009, last revised September 15, 2009 being recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on October 13, 2009 as Document Number 5816588-J.

- 1.48.2. "Phase 2 and 3 Subdivision Plan" shall mean and refer to that certain set of plans, comprised of sheets numbered 1-17 inclusive, collectively identified as *Final Subdivision Plan -Phase 2 and 3, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania*, prepared by Alpha Consulting Engineers, New Cumberland, Pennsylvania dated July 23, 2004 , last revised August 22, 2005 as approved by, and on file with, East Hempfield Township, Lancaster County, Pennsylvania pursuant to the provisions of the East Hempfield Township Zoning Ordinance as amended, such *Final Subdivision Plan - Phase 2 and 3, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania* being recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on September 14, 2005 as Document Number 5457990 in Subdivision Plan Book J-225, Page 16.
- 1.48.3. "Phase 4 Subdivision Plan" shall mean and refer to that certain set of plans, comprised of sheets numbered 1-17 inclusive, collectively identified as *Revised/Final Subdivision Plan - Phase 4, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania*, prepared by Alpha Consulting Engineers, New Cumberland, Pennsylvania dated April 22, 2010, last revised January 24, 2011 as approved by, and on file with, East Hempfield Township, Lancaster County, Pennsylvania pursuant to the provisions of the East Hempfield Township Zoning Ordinance as amended, such *Revised/Final Subdivision Plan - Phase 4, Veranda, a Planned Community, East Hempfield Township, Lancaster County, Pennsylvania* being recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on February 4, 2011 as Document Number 2011-0037-J, as superseded in part by that certain plan identified as *Veranda Minor Revised Subdivision Plan Lots 164-167 and 181-184, A Planned Community East Hempfield Township, Lancaster County, Pennsylvania* of record in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania as Instrument Number 2015-0097-J.
- 1.49. "Subject Property" shall mean and refer to that certain real property described in Exhibit "A" attached hereto and made a part hereof.
- 1.50. "Township" shall mean and refer to the Township of East Hempfield, Lancaster County, Pennsylvania, a township of the second class, duly and properly constituted as a political subdivision of the Commonwealth of Pennsylvania.
- 1.51. "Unit." See Lot.
- 1.52. "Unit Owner." See Owner
- 1.53. "Withdrawal" shall mean and refer to the withdrawal from the Community and from the terms, conditions, and effect of this Declaration any portion of the Subject Property which is not Incorporated Property in accordance with the provisions of Section 3.6 of this Declaration.
- 1.54. "Withdrawable Real Estate" shall mean and refer all portions of the Subject Property excepting thereout and therefrom the Incorporated Real Estate. Withdrawable Real Estate is also Convertible Real Estate.

ARTICLE II

DESCRIPTIONS

2.1. Declarant's right to modify

All of the descriptions set forth in this Article II are Subject to the right of Declarant to modify the descriptions pursuant to the provisions of Sections 3.5 and 3.6 of this Declaration.

2.1.1. The dimensions of the community to be developed pursuant to the terms of this Declaration, the boundaries, locations, and dimensions of Units, Common Elements, and Improvements, including Roadways, may be altered by Declarant and portions of Common Elements may be allocated as Limited Common Elements by Declarant, subject to the following limitations:

2.1.1.1 Any alteration of the dimensions of the community to be developed pursuant to the terms of this Declaration and/or any alteration to the boundaries, locations, and dimensions of Units, Common Elements, and Improvements, including Roadways, shall have been approved by all governmental entities having jurisdiction of a plan or plans of subdivision and/or land development which supercede and replace, in whole or in part, one or more Subdivision Plans as such Subdivision Plans are defined in Section 1.48 of this Declaration; and

2.1.1.2 Any alteration to any Limited Common Elements, including but not limited to the allocation to which Unit or Units each Limited Common Element is allocated, shall require the consent of the Unit Owner and/or Unit Owners whose Unit or Units are affected; and

2.1.1.3 An Amendment to this Declaration setting forth the alterations to the dimensions of the community to be developed pursuant to the terms of this Declaration and/or to the boundaries, locations, and dimensions of Units, Common Elements, and Improvements, including Roadways, and/or to any Limited Common Elements, including but not limited to the allocation to which Unit or Units each Limited Common Element is allocated shall have been executed by the Declarant and recorded pursuant to the provisions of § 5219(c) of the Act; and

2.1.1.4 If any alteration permitted by this Section 2.1.1 shall result in any relocation of boundaries between units, plats or plans necessary to show the altered boundaries between adjoining units and their dimensions and identifying numbers shall be prepared and recorded pursuant to § 5214 of the Act; and

2.1.1.5 If any alteration permitted by this Section 2.1.1 shall result in any subdivision of a Unit into a combination of Units and Common Elements, an Amendment to this Declaration, including the Plats and Plans, subdividing that Unit shall be prepared and recorded pursuant to § 5215 of the Act; and

2.1.1.6 If any alteration permitted by this Section 2.1.1 shall result in any portion of the Common Elements being allocated as Limited Common Elements, an Amendment to this Declaration setting forth the portions of Common Elements so allocated as Limited Common Elements shall have been executed by the Declarant pursuant to § 5209(c) of the Act.

2.2. Property subject to this Declaration

The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is the Subject Property, located in East Hempfield Township, Lancaster County, Pennsylvania, as described in Exhibit "A" attached hereto and made a part hereof.

There is no real estate in which the Unit Owners will own only an estate for years, and there are no noncontiguous parcels of real estate comprising the Community. There are no encroachments by or upon any portion of the Community.

2.3. Name, location, and dimensions of Community

The name of the community to be developed pursuant to the terms of this Declaration is "Veranda, a Planned Community." The location and dimensions of the community to be developed pursuant to the terms of this Declaration are shown and depicted on the Overall Plan.

2.4. Plats and Plans

The Plat(s) and Plan(s) are attached to the Fifth Amendment to this Declaration.

Existing improvements to the Subject Property are shown on the Plat(s) and Plan(s). All Improvements (as such term is defined in Section 1.27 of this Declaration) shown on the Plat(s) and Plan(s) MUST BE BUILT and the intended location and dimensions of all such Community Improvements (the location and dimensions of which are capable of being shown on a plan) are shown on the Plat(s) and Plan(s).

The location and dimensions of all easements serving or burdening any portion of the Subject Property (the location and dimensions of which are capable of being shown on a plan) are shown on the Plat(s) and Plan(s).

2.5. Units

Each Unit is defined and described as being a Lot as shown on a Subdivision Plan of Incorporated Property upon which one or more residential dwellings are or may be erected, excepting therefrom any Lot or Lots Conveyed or to be Conveyed to Governmental/Public Service Entities. The terms Unit and Lot are synonymous. The identifying number of each Unit is the Lot Number for such Lot as shown on the Subdivision Plan. The vertical boundaries of each Unit are the Lot boundaries as shown on the Subdivision Plan. There are no horizontal boundaries to any Unit and there are no horizontal boundaries of any Unit which are not shown on the Subdivision Plan. In the event of any discrepancy between the Plat(s) and Plan(s) and a Subdivision Plan, the Subdivision Plan shall be controlling.

There are no buildings that contain or comprise all or part of any Unit nor located within nor must be built within any portion of the Subject Property.

There are One Hundred Ninety One (191) Units in the Subject Property.

No Unit may be subdivided into two or more Units.

2.6. Party Walls

Each wall, the centerline of which is a boundary line between two Units is a Party Wall. To the extent not inconsistent with the Governing Documents, the general rules of law regarding Party Walls and liability for damage due to negligence or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the Party Wall in proportion to such use. If a Party Wall is damaged or destroyed by fire or other casualty, any Owner who has used the Party Wall may restore it, and if thereafter the other Owners make use of the Party Wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of the restoring Owner to a larger contribution under any rule of law regarding liability for negligent or willful acts or omissions. An Owner who through negligent or willful act causes the Party Wall to be exposed to the elements shall bear the entire cost of furnishing the necessary protection against such elements. The right of any Owner to contribution from any other Owner under the provisions of this section shall be appurtenant to the land and shall pass to each Owner's successors in title.

2.7. Common Elements

The Common Elements are comprised of both Common Facilities and Controlled Facilities.

2.7.1. The General Common Facilities are defined in Section 1.9.1.1 of this Declaration and include:

2.7.1.1. All Roadways, to the extent not accepted for dedication by East Hempfield Township or any other governmental entity.

2.7.1.2. The Storm Water Facilities.

2.7.1.3. Open Space as shown and depicted on Subdivision Plans, including improvements thereto including but not limited to:

2.7.1.3.1. recreational facilities including "tot lots";

2.7.1.3.2. pedestrian trails;

2.7.1.3.3. retaining walls;

2.7.1.3.4. fences and fencing

2.7.1.3.5. signs including but not limited to trail markers, direction and information signs, and entrance and identification signs, including lighting thereof;

2.7.1.3.6. landscaping, including but not limited to ground cover, flowers, shrubs, bushes and trees.

2.7.1.4. Alleys (to the extent not accepted for dedication by East Hempfield Township or any other governmental entity).

2.7.2. The Limited Common Facilities are defined in Section 1.9.1.2 of this Declaration and include:

2.7.2.1. No Common Facilities

2.7.3. Neither the General Common Facilities nor the Limited Common Facilities include any real property Conveyed to Governmental/Public Service Entities.

2.7.4. The Controlled Facilities are defined in Section 1.9.3 of this Declaration and include:

2.7.4.1. Street Lights and street identification signs located within rights of way dedicated to East Hempfield Township or to any other governmental entity.

2.7.4.2. Sidewalks adjacent to Open Space as shown and depicted on Subdivision Plans and located within rights of way dedicated to East Hempfield Township or to any other governmental entity.

2.7.4.3. The accessible areas of landscaping, including lawns, plantings such as ground cover, shrubs, bushes and trees on Lots on which Attached Dwellings are constructed. Landscaping including lawns, plantings such as ground cover, shrubs, bushes and trees within enclosing fences shall be deemed not to be accessible.

The description of the obligations of the Association for the maintenance, improvement, repair, replacement, regulation, management and control of the Controlled Facilities is set forth in Section 4.2.2 of this Declaration.

2.8. Limited Controlled Facilities and Time Share Estates

There are no Limited Controlled Facilities created by the provisions of this Declaration.

There are no time-share estates created by the provisions of this Declaration.

2.9. Incorporated Property, Convertible Real Estate, Withdrawable Real Estate, and Additional Real Estate

The Incorporated Property is all of the Subject Property in which Units and Common Elements have been created.

There is no portion of the Subject Property which is not Incorporated Property.

There is no Additional Real Estate in which additional Units and Common Elements or any combination thereof may be created.

2.10. Uncompleted Improvements and Common Elements

2.10.1. Common Authority and Responsibility

All of the Subject Property shall be developed and all public improvements and improvements to Common Elements shall be completed according to the Approved Development, under Declarant's common authority and responsibility. Declarant may assign the rights and delegate the duties of common authority and control herein to an assignee, subject, however, that no such assignment shall be valid unless in writing and notice thereof shall have been given, in writing, to the Township

After the Development Period, and after the completion of all Improvements pursuant to the provisions of Section 2.10.5 of this Declaration, the Association shall have common authority and responsibility for the Common Elements.

2.10.2. Completion

All public improvements to the Subject Property and all Common Elements shall be completed within one year after commencement of construction of such improvements and Common Elements, or within such additional time as shall be agreed to between Declarant and Township.

Declarant is required to complete all improvements to the Subject Property and the Common Elements by the later of a) the date of the conveyance to third parties by the Declarant of the last Unit the Declarant reserves the right to include in the Community pursuant to the provisions of Section 3.5 of this Declaration, or b) or the date of the expiration of the Development Period as such Development Period is defined in Section 1.20 of this Declaration.

2.10.3. Responsibility prior to completion

Until each improvement to the Subject Property and Common Elements shall be completed, the Declarant shall be solely responsible for real estate taxes assessed against or allocable to such improvement to the Subject Property or the Common Elements and for all other expenses in connection with such improvement to the Subject Property or Common Elements.

2.10.4. Financial security for completion

2.10.4.1. For the Benefit of the Association

Declarant, by this Declaration, guarantees to the Association that all improvements to the Subject Property and the Common Elements shall be completed. No third-party guarantee, bond, escrow, letter of credit or other mechanism is provided by the Declarant to the Association to assure, for the benefit of the Association, completion of the improvements and the Common Elements. Only the Declarant's own guarantee is provided to the Association to assure completion of the improvements and the Common Elements.

2.10.4.2. For the Benefit of the Township

In addition to the Declarant's own guarantee of completion Declarant has posted Financial Security (as such term is defined in the Pennsylvania Municipalities Planning Code, 53 P.S. §10101, *et seq.*) with the Township to assure, for the benefit of the Township, completion of public improvements to the Subject Property and Common Elements, in accordance with the provisions of the Pennsylvania Municipalities Planning Code (53 P.S. §10101, *et seq.*) There is no time limit of the term of the Financial Security posted with the Township.

2.10.5. Completion

Any portion of the community, improvement to the Subject Property, or Common Element will be deemed to be completed upon the recording of a certificate executed by an independent registered surveyor, architect or professional engineer stating that the portion of the community, improvement to the Subject Property, or Common Element is substantially completed in accordance with the descriptions set forth in this Declaration, the plats and plans and the public offering statement and so as to permit the use of such portion of the community, improvement to the Subject Property or Common Element for its intended use.

ARTICLE III

PROPERTY RIGHTS AND RESPONSIBILITIES

3.1. Maintenance Obligations of all Lot Owners

Except as set forth in Section 4.2.2 of this Declaration, the maintenance, repair and replacement as and when required of any portion of any building located on a Lot shall be the sole responsibility of the owner or owners of such Lot. The Grantee of each Lot in the Subject Property, by the acceptance of a deed to said Lot, whether or not it shall be so expressed in such deed, obligates and binds such Grantee, and the heirs, successors and assigns of such Grantee, and such Grantee is deemed to covenant as a covenant running with the land, that the Grantee of the Lot will at all times:

- 3.1.1. maintain any and all buildings on the Lot in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal laws and retains the functional condition thereof and further in such a manner that lack of maintenance, repair or replacement shall not impair the structural integrity of any larger building of which the building is a part; and
- 3.1.2. maintain, repair and replace in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal laws and retains the functional condition thereof, any and all sidewalks or other pedestrian facilities:
 - 3.1.2.1. located on the Lot; or
 - 3.1.2.2. located between the Street Line (as such term is defined in the Zoning Ordinance of East Hempfield Township, as amended) and the Roadway Cartway (as such term is defined in Section 1.44.2 of this Declaration) between Side Property Line(s) (being each Lot boundary which intersects with the Street Line) in common with adjacent Lot(s) extended to the Cartway, or, if any Side Property Line is not a common Side Property Line of an adjacent Lot, to the mid-point between the Side Property Lines of non-adjacent Lots extended to the Cartway.

The maintenance, repair and replacement of sidewalks or other pedestrian facilities as herein set forth for each Lot on which a Single Family Dwelling is located shall include the responsibility for snow removal and treatment for ice accumulation.

3.2. Common Elements

3.2.1. Common Facilities

All of the Incorporated Property which is neither a part of any Residential Dwelling Unit Lot, nor Conveyed nor to be Conveyed to a Governmental/Public Service Entity, is a Common Facility.

3.2.2. Disposition of Common Facilities

The Association may not be dissolved nor, except for the dedication of Roadways to East Hempfield Township, dispose of the Common Facilities, nor any portion thereof, by sale or otherwise, except upon Conveyance of the Common Facilities to a Governmental/Public Service Entity or other organization which such other organization has been organized for, or has adopted the purpose of, ownership of the Common Facilities and performance of the duties and obligations of the Association as set forth in the Governing Documents, subject to the provisions of §5318 of the Act and subject to 1) the provisions of the Zoning Ordinance of East Hempfield Township, as amended, 2) written approval of the Board of Supervisors of East Hempfield Township, and 3) written notice thereof to all Owners.

The Alleys as defined in Section 1.3 of this Declaration and the Roadways as defined in Section 1.44 of this Declaration, either and both of which, in whole or in part, are hereby made subject to a continuing and irrevocable offer of dedication to East Hempfield Township.

3.2.3. Use of Common Facilities

The Common Facilities shall remain in perpetuity reserved and restricted to use for Roadways, Alleys, Storm Water Facilities, Open Space, undeveloped land and/or space for recreational facilities, accessways, utility and other easements and servitudes and such other uses as are consistent with the Governing Documents. Unless and until any Common Facilities are used for recreational facilities, Roadways, Alleys, Storm Water Facilities, or accessways, such Common Facilities, whether subject to easement or other servitude or unencumbered, shall be designated as "Undeveloped Common Land". Such Undeveloped Common Land shall be graded and landscaped or shall be left in its natural state where appropriate such as where such Undeveloped Common Land is wetlands or woods, tree stands or other vegetation which serves as a visual barrier, nature preserve or other beneficial function.

The Common Facilities may not be further subdivided.

3.2.4. Owner's Easement of Enjoyment

Every Owner shall have an unrestricted right of ingress and egress to the Owner's Unit and a right and easement of enjoyment in and to the Common Facilities which are not Limited Common Facilities which shall be appurtenant to and shall pass with the title to and be unseverable from each Lot.

Each Owner's right and easement of enjoyment in and to the Common Facilities is subject to the following provisions:

- 3.2.4.1. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situate upon the Common Facilities.
- 3.2.4.2. The right of the Association, upon determination, after notice and opportunity for a hearing, of nonpayment of assessments or violation of Governing Documents by an Owner, to suspend the rights of any Lot Owner to the use and enjoyment of Common Facilities, except each Owner's right and easement of enjoyment in and to the Roadways, Alleys, Storm Water System, and Controlled Facilities located on an Owner's Lot shall not be suspended at any time.

3.2.5. Delegation by Owner

Every Owner shall have the right to delegate, in accordance with the Governing Documents, his or her right of enjoyment in and use of the Common Facilities to the members of his or her family, guests, tenants, or contract purchasers who reside in the Subject Property.

3.3. Limitation of Easements, Rights and Privileges

The easements, rights and privileges granted by this Declaration shall be for the benefit of and be restricted solely to the Declarant, the Township, the Association and the Owners from time to time of all or any portion of the Subject Property, and such Owners may grant the benefit of such easements, rights and privileges in accordance with Section 3.2.5 of this Declaration, but the same is not intended to create, and shall not be construed as creating any rights in and for the benefit of the general public.

3.4. Easements and Licenses

3.4.1. Each Snow Dump Easement area as depicted on the Plat is and shall be:

3.4.1.1. a right-of-way in perpetuity upon, over, through and across the Snow Dump Easement area for the placement of snow plowed from Cartways and other vehicular accesses within the Community; and

3.4.1.2. a Negative Easement and Covenant running with the land prohibiting any use of, or conditions to be created or maintained on, the Snow Dump Easement area interfering with the use and purpose of the right-of-way hereby declared, such prohibitions to include, but not be limited to, the placement of trees, landscaping, fencing, structures, paving or buildings.

3.4.2. The Storm Water Easements as defined in Section 1.46.2 of this Declaration are hereby granted to the Association as easements in gross and further hereby made subject to a continuing and irrevocable offer of dedication to East Hempfield Township.

3.4.3. Each Unit Owner shall afford to the Association and to its agents or employees access through the Unit reasonably necessary for the purposes of maintenance, repair and replacement of the Common Elements.

3.4.4. There is hereby reserved, and any Governmental/Public Service Entity is hereby granted the right to use, an easement and a right-of-way in perpetuity for free and uninterrupted right of entry, ingress, egress and regress upon, over, under, through and across the all of the Common Facilities, for the placing and maintaining of utility service equipment, facilities and components on the Common Facilities, whether for the purpose of serving the Subject Property or any other property or properties, and for access for the installation, removal, maintenance, repair or replacement of any utility or service conduits, lines and systems, including, but not limited to, those providing water, sanitary sewer, storm water management (including but not limited to storm water drainage swales, culverts, piping, discharge outlets, basins and similar improvements), electric, telephone, gas, television cable, communication or any other such service, subject to the condition that upon any use of the Easements or Right-of-Way reserved by this Section for the purposes of such Easements or Right-of-Way, upon the completion of any work performed, including, but not limited to, the construction, repair, rebuilding, relocation, or removing of all, or any portion, of any of the aforesaid service components pursuant to the Easements hereby granted, the user shall, at user's sole cost and expense, restore any part of the land disturbed by such work to approximately the same condition as existed prior to the commencement of work.

- 3.4.5. For so long as the Declarant or successor to or assign of Declarant is engaged in developing or improving any portion of the Subject Property, there is hereby reserved to Declarant and to any and all Assignee Declarant(s), which Declarant and Assignee Declarant(s) may assign to designees of Declarant or Assignee Declarant(s), an unlimited blanket easement and a right-of-way for free and uninterrupted right of entry, ingress, egress and regress upon, over, under, through and across the entire Subject Property for the purpose of Declarant's or Assignee Declarants' discharge of all of Declarant's or Assignee Declarants' obligations or of Declarant's or Assignee Declarants' exercise of the rights of Declarant or Assignee Declarant(s) as set forth in this Declaration, of Declarant's discharge of all of Declarant's obligations or of Declarant's exercise of the rights of Declarant as set forth in this Declaration, any and all development activities including any structures erected or constructed thereon in whole or in part, erection and maintenance of identification, directional and promotional signs, conduct of sales activities including maintenance of any office or model homes, storage, movement and use of building and construction materials, equipment and personnel, construction and modification of structures including Dwellings, Common Elements including Storm Water Facilities, Retaining Walls, Cartways, vehicle and pedestrian areas and utility services, and grading and regrading, including removal of existing vegetation including trees, all to the extent Declarant or Assignee Declarant(s) shall, in Declarant's or Assignee Declarants' sole judgment, deem appropriate or necessary in the development of the Subject Property.

- 3.4.6. Some or all of the Subject Property is subject to recorded restrictions, easements and licenses. As of the date of this Declaration, the following restrictions, easements or licenses appurtenant to or included in the Subject Property are recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania as follows:
- 3.4.6.1. The set-back lines, plan notes, easements, conditions and encumbrances as shown on a survey made by J. Haines Shertzer Associates, dated December 2, 1935, last revised July 30, 1987, Drawing No. EX-127, referenced in Record Book 4819, Page 603; and survey by Alpha Consulting Engineers, Inc., dated December 14, 2001 in Instrument No. 5271403.
- 3.4.6.2. Rights granted to Defense Plan Corporation as set forth in Record Book A, Volume 36, Page 244.
- 3.4.6.3. A Declaration of Taking as set forth in Record Book C, Volume 82, Page 386. 8. Subject to right of way agreement as set forth in Record Book A, Volume 83, Page 367. 9.
- 3.4.6.4. Graveyard reservation as set forth in Record Book C, Volume 15, Page 274, any statutory or other legal requirements for the provisions for care and maintenance relating to gravesites, and an easement in favor of those who may be entitled to cross or re-cross land for the purpose of visiting graves or gravesites.
- 3.4.6.5. Rights granted to LASA as set forth in Record Book C, Volume 94, Page 124; and Record Book 4021, Page 457.
- 3.4.6.6. A Deed of Grant of Easement as set forth in Instrument No. 5280118.
- 3.4.6.7. Public and private rights in and to that portion of the Subject Property lying in the beds of the public roads.
- 3.4.6.8. Right-of-Way Agreement with Consent of Mortgagee between Hempfield Valley Partnership and Lancaster Area Sewer Authority to be recorded
- 3.4.6.9. Declaration Regarding Storm Water Facilities Maintenance, to be recorded
- 3.4.6.10. [Easements to public water provider]
- 3.4.6.11. [Easements to electric provider]
- 3.4.6.12. [Easements to telephone provider]
- 3.4.6.13. [Easements to cable television provider]

3.4.7. There is hereby explicitly reserved to the Declarant, during and only during the Development Period as such Development Period is defined in Section 1.20 of this Declaration, the unrestricted option to subject the Subject Property to easements or licenses in favor of Governmental/Public Service Entities as are required for the provision of public utilities to and through the Overall Parcel and/or as are reasonably required for the construction of improvements to the Overall Parcel in accordance with all laws, ordinances and regulations of all governmental entities having jurisdiction thereof. The grant by the Declarant of such easements and/or licenses shall effect the Association not greater than a) the effects of the easements and licenses set forth in Section 3.4 of this Declaration together with b) the effects of development and improvement of the Subject Property in accordance with the Approved Development. Further, the grant by the Declarant of such easements and/or licenses shall not, individually, result in a greater than ten percent (10%) increase or decrease in the annual General Common Expenses Budget of the Association.

3.5. Convertible Real Estate

3.5.1. There is hereby explicitly reserved to the Declarant the unrestricted option to, from time to time, Incorporate portions of the Convertible Real Estate as Additional Incorporated Property and to Convert such Additional Incorporated Property into Residential Dwelling Unit Lots, Common Elements, and Limited Common Elements.

3.5.2. The right of the Declarant to Incorporate portions of the Convertible Real Estate and to Convert portions of the Additional Incorporated Property shall be in effect until, and shall cease and be of no force nor effect after, the earlier of:

3.5.2.1. that date which is seven (7) years after the date of recording of this Declaration;
or

3.5.2.2. such time as all of the Subject Property shall have been Incorporated pursuant to the provisions of this Section 3.5 of this Declaration.

3.5.3. If a portion of the Convertible Real Estate is Incorporated, the Declarant shall prepare and record an Amendment to this Declaration complying with the provisions of § 5211 of the Act and the Incorporated Property shall be described and delineated in an Exhibit to such Addendum and such portion shall thereafter be Incorporated Property and shall not thereafter be either Convertible Real estate or Withdrawable Real Estate.

- 3.5.4. If Additional Incorporated Property is Converted and any Residential Dwelling Unit Lots, Limited Common Elements, and/or Common Elements are created within some, or all of the Additional Incorporated Property:
- 3.5.4.1. a maximum of Eighty Seven (87) Units may be created within the Additional Incorporated Property, a maximum of five (5) Units per acre may be created within the Additional Incorporated Property, and all Units within Additional Incorporated Property shall be restricted exclusively to residential use; and
- 3.5.4.2. buildings and units which may be erected upon each portion of the Additional Incorporated Property will be compatible with the other buildings in the Community of Veranda in terms of architectural style, quality of construction, principal materials employed in construction, and size; and
- 3.5.4.3. all of the use and occupancy restrictions to which the Units are made subject by this Declaration will be made applicable to Units within Additional Incorporated Property; and
- 3.5.4.4. buildings, improvements and limited common elements, including types, sizes and proportion of limited common elements to Units will be substantially similar to buildings, improvements and limited common elements, including types, sizes and proportion of limited common elements to Units within the Initial Incorporated Property as shown on the Phase 1 Subdivision Plan
- 3.5.5. If some, or all of the Convertible Real Estate is Incorporated and Converted into Residential Dwelling Unit Lots, Limited Common Elements, and/or Common Elements, and the number of Lots within the Incorporated Property is increased, the following revisions would occur:
- 3.5.5.1. Because the number of Memberships in the Association is equal to the number of Lots within the Incorporated Property, the number of Memberships in the Association would increase by the number of Lots within the Additional Incorporated Property and the Association Interest of each then existing Lot within the Incorporated Property would be reduced by a percentage equal to the difference between the quotient of one (1) divided by the number of Memberships in the Association prior to Converting the Additional Incorporated Property and the quotient of one (1) divided by the number of Memberships in the Association after Converting the Additional Incorporated Property, divided by the quotient of one (1) divided by the number of Memberships in the Association prior to the Converting the Additional Incorporated Property multiplied by 100; and

- 3.5.5.2. The relative voting strength of each then existing Membership in the Association would be reduced by a percentage equal to the difference between the quotient of one (1) divided by the number of Memberships in the Association prior to the Converting the Additional Incorporated Property and the quotient of one (1) divided by the number of Memberships in the Association after Converting the Additional Incorporated Property, divided by the quotient of one (1) divided by the number of Memberships in the Association prior to the Converting the Additional Incorporated Property multiplied by 100; and
- 3.5.5.3. The Common Expense Liability of each Residential Dwelling Unit Lot would be reduced by a percentage equal to the difference between the quotient of one (1) divided by the number of Memberships in the Association prior to the Converting the Additional Incorporated Property and the quotient of one (1) divided by the number of Memberships in the Association after Converting the Additional Incorporated Property, divided by the quotient of one (1) divided by the number of Memberships in the Association prior to the Converting the Additional Incorporated Property multiplied by 100. Although the Common Expense Liability of each Residential Dwelling Unit Lot would be reduced, the General Common Expenses of the Association would increase, with the result that the annual Assessment of Common Expense Liability against each Lot would either increase, decrease or remain unchanged.
- 3.5.6. The Convertible Real Estate, all, some, or none of which may be Incorporated and Converted shall be such portions of the Subject Property not theretofore Incorporated. Such portions (if any) may be Incorporated at different times and no assurance is made regarding the boundaries of such portions, or the order in which they may be Incorporated. If any such portion of the Convertible Real Estate is Incorporated there is no requirement nor prohibition that any other portion of the Convertible Real Estate will, may or may not be Incorporated.
- 3.5.7. There are no limitations on the Declarant's options as set forth in this Section 3.5 other than limitations created by or imposed by operation of law.

3.6. Withdrawable Real Estate

There is hereby explicitly reserved to the Declarant the right, with and only with the written consent of the Board of Supervisors of East Hempfield Township, to Withdraw from the Community and from the terms, conditions, and effect of this Declaration any portion of the Subject Property which is not Incorporated Property.

No assurance is made regarding: 1) the extent to which any buildings and Units that may be erected upon each portion of the Convertible Real Estate which is Withdrawn will be compatible with the other buildings and Units in the Subject Property in terms of architectural style, quality of construction, principal materials employed in construction and size; 2) any limitations as to the locations of any buildings or other improvements that may be made within Convertible Real Estate which is Withdrawn; 3) any limited common elements created within any Convertible Real Estate which is Withdrawn will be of the same general types and sizes as those within other parts of the Subject Property; 4) the proportion of limited common elements to Units created within Convertible Real Estate which is Withdrawn will be approximately equal to the proportion existing within other parts of the Subject Property; nor 5) any other improvements and limited common elements that may be made or created upon or within each portion of the Convertible Real Estate which is Withdrawn.

Portions of Convertible Real Estate may be Withdrawn at different times and no assurance is made regarding the boundaries of such portions, or the order in which they may be Withdrawn. If any such portion of the Convertible Real Estate is Withdrawn, there is no requirement nor prohibition that any other portion of the Convertible Real Estate be Withdrawn.

Other than as set forth in this Section 3.6, there are no further limitations on the Declarant's options as set forth in this Section 3.6 other than limitations created by or imposed by operation of law.

ARTICLE IV

VERANDA NEIGHBORHOOD ASSOCIATION

4.1. The Association

The Association is a non-profit, non-stock corporation organized and existing under the laws of the Commonwealth of Pennsylvania and charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no other Governing Documents other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

4.1.1. Powers and Duties of the Association

The Association shall have all powers necessary to enjoy the rights of the Association and to perform the duties of the Association all as set forth in this Declaration and as set forth in the Act, including, but limited to, the power, right, and duty to:

- 4.1.1.1. Adopt and amend bylaws and rules and regulations.
- 4.1.1.2. Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for common expenses from Unit Owners.
- 4.1.1.3. Hire and terminate managing agents and other employees, agents and independent contractors.
- 4.1.1.4. Transfer or convey to East Hempfield Township such storm water management and/or access maintenance easement(s) as shall be reasonably required by East Hempfield Township for the purpose of the maintenance, repair and replacement of Storm Water Facilities.
- 4.1.1.5. Transfer or convey to East Hempfield Township or any governmental entity such Roadways and/or Alleys as shall be accepted for dedication by East Hempfield Township or other governmental entity as for the public use as road rights-of-way.
- 4.1.1.6. Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Community.
- 4.1.1.7. Make contracts and incur liabilities.
- 4.1.1.8. Regulate the use, maintenance, repair, replacement and modification of Common Elements.
- 4.1.1.9. Cause additional improvements to be made as a part of the Common Facilities and, to the extent permitted by this Declaration, the Controlled Facilities.
- 4.1.1.10. Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, but Common Facilities may be conveyed or subjected to a security interest only pursuant to the provisions of the Act and to the provisions of the Governing Documents.

- 4.1.1.11. Grant easements, leases, licenses and concessions through or over the Common Facilities and, only to the extent permitted by this Declaration, the Controlled Facilities.
- 4.1.1.12. Impose and receive payments, fees or charges for the use of the Common Elements.
- 4.1.1.13. Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, and the bylaws and rules and regulations of the Association.
- 4.1.1.14. Impose reasonable charges for the preparation and recording of amendments to this Declaration, resale certificates required by § 5407 of the Act (relating to resales of units).
- 4.1.1.15. Provide for the indemnification of its officers and Executive Board and maintain directors' and officers' liability insurance.
- 4.1.1.16. Exercise any other powers conferred by the Act, this Declaration or the bylaws.
- 4.1.1.17. Exercise all other powers that may be exercised in this Commonwealth by legal entities of the same type as the Association.
- 4.1.1.18. Exercise any other powers necessary and proper for the governance and operation of the Association.
- 4.1.1.19. Assign its right to future income, including the right to receive common expense assessments, without limitation.
- 4.1.2. Any exercise of a power under the above Sections 4.1.1.9, 4.1.1.10, or 4.1.1.11 which would materially impair quiet enjoyment of a Unit shall require the prior written approval of the Owner of that Unit.

4.2. Maintenance Responsibilities of the Association

4.2.1. Common Elements

The Association shall have the obligation to make adequate provision for the maintenance, repair and replacement of, and to maintain, repair or replace as and when in the sole judgment of the Executive Board required, any and all buildings, structures, facilities, cartways, wetlands, ponds, lawn, trees, shrubs, landscaping, and land comprising the Common Elements, including without limitation all Limited Common Elements, in accordance with the provisions of the Zoning Ordinance of East Hempfield Township, as amended; which shall include, but shall not be not limited to:

4.2.1.1. Maintenance of Storm Water System

The Association shall have the obligation to make adequate provision for the repair and replacement of, and to repair and replace, as and when in the sole judgment of the Executive Board required to maintain in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal regulations, ordinances and laws and retains the functional condition thereof the Storm Water System including without limitation all Storm Water Facilities including but not limited to all basins, pipes, swales, inlets, outfalls, dissipaters, spreaders, infiltrators, systems and other components and facilities appurtenant thereto as are constructed for the purpose of storm water drainage management.

The Association shall comply with the terms and conditions of that certain *Declaration Regarding Storm Water Facilities Maintenance* dated the 5th day of April, 2004 recorded or intended to be recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania, a true and correct copy of which is attached hereto as Exhibit "E" and the Association shall maintain the Storm Water Facilities pursuant to the terms and conditions of, and as set forth in, that certain *Post Construction Stormwater Management Plan & Narrative for Veranda*, a copy of which is attached hereto as Exhibit "F".

4.2.1.2. Maintenance of Cartways and Driveways

The Association shall have the obligation to make adequate provision for the repair and replacement of, and to repair and replace, as and when in the sole judgment of the Executive Board required to maintain in a manner which retains the functional condition thereof, any and all Cartways, Common Driveways, access, and parking areas (excepting only any of such as are dedicated to East Hempfield Township or Conveyed to a Governmental/Public Service Entity), including the reasonably practicable removal of snow therefrom and the reasonably practicable treatment for ice accumulation thereon.

4.2.1.3. Maintenance of Open Space

The Association shall have the obligation to make adequate provision for the maintenance, repair and replacement of, and to maintain, repair or replace as and when in the sole judgment of the Executive Board required, in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal regulations, ordinances and laws and retains the functional condition thereof all of the Open Space as defined in this Declaration and improvements thereto including without limitation recreational facilities, any and all lawns, wetlands, ponds, trails, and any and all buildings or other structures constructed or erected thereon.

4.2.2. Controlled Facilities

The Association shall have the obligation to make adequate provision for the maintenance, repair and replacement of, and to maintain, repair or replace as and when in the sole judgment of the Executive Board required, in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal regulations, ordinances and laws and retains the functional condition thereof all of the Controlled Facilities as defined in Section 1.9.2 of this Declaration.

The maintenance, repair and replacement of sidewalks or other pedestrian facilities shall include the responsibility for snow removal and treatment for ice accumulation.

4.2.3. For all Lots on which an Attached Dwelling is located, the Association have the responsibility for reasonably practicable snow removal and reasonably practicable treatment for ice accumulation on:

4.2.3.1. any and all sidewalks, walks, steps, stoops, or other pedestrian facilities located on such Lots; and

4.2.3.2. any and all sidewalks or other pedestrian facilities located between the Street Line (as such term is defined in the Zoning Ordinance of East Hempfield Township, as amended) and the Roadway Cartway (as such term is defined in Section 1.44.2 of this Declaration) between Side Property Line(s) (being each Lot boundary which intersects with the Street Line) in common with adjacent Lot(s) extended to the Cartway, or, if any Side Property Line is not a common Side Property Line of an adjacent Lot, to the mid-point between the Side Property Lines of non-adjacent Lots extended to the Cartway; and

4.2.3.3. Individual Driveways providing vehicular access to such Lots.

4.3. Insurance to be carried by association

The association shall maintain such insurances as are required by, and such insurance coverage shall be maintained and administered in accordance with, the provisions of § 5312 of the Act and shall include:

4.3.1. comprehensive general liability insurance, including medical payments insurance, in an amount determined by the executive board but not less than in the amount of \$1,000,000.00 covering all occurrences commonly insured against for death and bodily injury and \$500,000 covering all occurrences commonly insured against for property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements which such insurance shall name East Hempfield Township, its elected and appointed officials, employees and agents as additional insureds; and

- 4.3.2. any other insurance deemed appropriate by the Executive Board to protect the Association or the Unit Owners.

4.4. Membership and Voting Rights

The conditions of membership in the Association are such that the Members shall be those Owners and only those Owners from time to time of Residential Dwelling Unit Lots in the Incorporated Property.

Membership in the Association is coextensive with, and indivisible from, ownership of a Residential Dwelling Unit Lot in the Incorporated Property. Each and every Owner of a Residential Dwelling Unit Lot in the Incorporated Property shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of a Residential Dwelling Unit Lot in the Incorporated Property.

The Owner, or owners collectively if more than one, of each individual Residential Dwelling Unit Lot in the Incorporated Property shall constitute one Member of the Association. Each Member shall hold one Membership in the Association. The Association shall have such number of Memberships as there are Residential Dwelling Unit Lots in the Incorporated Property.

Each Membership shall have one vote in the Association. The total number of votes in the Association shall be equal to the total number of Lots within the Incorporated Property.

4.4.1. Exercise of vote

If any Membership is comprised of two or more persons (that is, if any individual Residential Dwelling Unit Lot in the Incorporated Property is owned by two or more persons), all such persons shall be entitled to the benefits of, and shall be responsible jointly and severally for the obligations of, membership in the Association. The vote for such Membership shall be cast as such owners shall decide amongst themselves and the vote may be exercised by any one of them, unless any objection or protest by any other of them is made prior to the completion of a vote, in which case the vote for such Membership shall be cast in accordance with the majority vote of such owners and if no majority vote of such owners shall be attainable, the vote of such Membership shall be cast as an abstention. In no event, however, shall more than one vote be cast with respect to any Membership.

Cumulative voting shall be permitted only for the purpose of electing members of the Executive Board. Cumulative voting shall not be permitted for any other purpose.

4.5. Executive Board

The affairs of this Association shall be managed by an Executive Board, the members of which shall be elected by the Members in accordance with the Bylaws of this Association. The Executive Board shall be constituted and organized, and shall operate, in accordance with the Bylaws of this Association.

4.5.1. Powers and Duties of the Executive Board

The Executive Board shall have the powers to do all things necessary or appropriate to carry out the duties and obligations imposed upon it by the Governing Documents or otherwise by law and such powers shall include that the Executive Board may act in all instances on behalf of the Association.

4.5.2. Right and Limitation of Declarant to appoint Members of the Executive Board

During and only during the Development Period as such Development Period is defined in Section 1.20 of this Declaration, Declarant shall have the right to appoint and to remove at will, and, in the event of removal, resignation, death, termination, absenteeism or other event resulting in vacancy, to reappoint, at will, replacements for, no fewer than such number of members of the Executive Board as shall comprise a majority of the number of members of the Executive Board. Subject to the right of the Declarant, in Declarant's sole judgment, at will, to remove and replace such Declarant appointed members, with or without cause, the terms of such appointed members of the Executive Board shall be for the period from appointment until the termination of the Development Period.

Notwithstanding the right of Declarant to appoint members of the Executive Board pursuant to this Section 4.5.2 of this Declaration:

4.5.2.1. not later than sixty (60) days after conveyance by Declarant to persons other than a Declarant or Assignee Declarant(s) of Sixty (60) Units (being 25% of the Units which may be created pursuant to the terms of this Declaration), the greater of one (1) or such number of members of the Executive Board as shall comprise a minimum of 25% of the number of members comprising the whole Executive Board shall be elected by Unit Owners other than the Declarant; and

4.5.2.2. not later than sixty (60) days after conveyance by Declarant to persons other than a Declarant or Assignee Declarant(s) of One Hundred Twenty (120) Units (being 50% of the Units which may be created pursuant to the terms of this Declaration Units), the greater of one (1) or such number of members of the Executive Board as shall comprise a minimum of 33% of the number of members comprising the whole Executive Board shall be elected by Unit Owners other than the Declarant.

4.5.3. Indemnification of Officers, Executive Board and Committee Members

The Association shall indemnify every Executive Board member, officer and committee member, his or her heirs, executors and administrators, against all loss, cost and expenses, including attorneys' fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being, or having been, an Executive Board member, officer or committee member, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding, to be liable for gross negligence or wilful misconduct. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason, or arising out of or in connection with, this indemnification provision shall be treated by the Association as General Common Expenses.

ARTICLE V

ASSESSMENTS

5.1. Creation of the Lien and Personal Obligation of Assessments

The Grantee of each Residential Dwelling Unit Lot in the Subject Property, by the acceptance of a deed to said Lot, whether or not it shall be so expressed in such deed, including without limitation any purchaser at judicial sale or heir or devisee of a deceased Owner obligates and binds himself, herself, his or her heirs and assigns, to become a Member of the Association and to be bound by all of its rules and regulations and to be subject to all of the duties and obligations imposed by ownership of, and membership in, said Association and is deemed to covenant and agree to pay to the Association an annual assessment equal to the Common Expense Liability allocated to such Residential Dwelling Unit Lot, and, subject to the provisions of §5314 of the Act, such assessments shall be established and collected as hereinafter provided.

Subject to the provisions of §5315 of the Act, all assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of each person who was the Owner of such property at the time when the assessment or installment thereof became due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them, but nothing herein contained shall be deemed to discharge the lien of the assessment upon the land, the subject thereof. No Owner may waive or otherwise escape liability for the assessments provided for herein by non use of the Common Elements nor by abandonment of the Lot owned.

Any amounts received by the Association from the payment of General Common Expenses assessments and in excess of the amount required for actual General Common Expenses and reserves for future General Common Expenses shall be credited to each Residential Dwelling Unit in accordance with each Residential Dwelling Unit's Association Interest and such credits shall be applied to the next annual General Common Expenses assessment against each Residential Dwelling Unit Lot.

Any amounts received by the Association from the payment of Special Allocation Expenses assessments in excess of the amount required for actual Special Allocation Expenses and reserves for future Special Allocation Expenses intended to be paid from the Special Allocation Expenses assessments shall be credited to each Residential Dwelling Unit in proportion to each Residential Dwelling Unit's proportional payment of such Special Allocation Expenses assessments and such credits shall be applied to the next Special Allocation Expenses assessments against each Residential Dwelling Unit Lot.

5.2. Estoppel Certificate

Within ten (10) days of the request therefor, the Executive Board of the Association shall cause to be provided an Estoppel Certificate which shall set forth any assessments and charges, or installments thereof, due upon such Lot as of the date of issuance and shall certify as to whether or not there are violations of the Governing Documents remaining on the Lot known to the Association as of the date of issuance. A reasonable fee may be established from time to time for the cost of preparation of such certificate and shall be paid at the time of request for such certificate. A properly executed certificate of the Association as to the status of assessments or installments thereof on a Lot is binding upon the Association as of the date of its issuance as to any purchaser or mortgagee relying thereon in good faith, but shall not relieve the Owner of personal liability.

5.3. Purpose of Assessments

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Subject Property and for the improvement and maintenance, repair and replacement of the Common Elements and for the performance of the obligations of the Association. In addition, the assessments may be used for the creation, maintenance and enhancement of reserves, and the maintenance of appropriate policies of insurance, and for the payment of all obligations required of the Association created by its own acts or imposed upon it by law or by the terms of the Governing Documents.

5.4. Annual Assessments

On or before sixty (60) days prior to the end of each Fiscal Year of the Association, the Executive Board shall adopt Annual General Common Expenses and Special Allocation Expenses Budgets in amounts deemed appropriate, in the sole judgment of the Executive Board, for the purposes set forth in the Governing Documents.

The Executive Board shall, at least thirty (30) days in advance of each annual assessment period, fix:

an annual assessment against each Residential Dwelling Unit Lot for such Residential Dwelling Unit Lot's General Common Expense Liability in an amount equal to the amount of the annual General Common Expenses Budget multiplied by such Lot's Association Interest; and

annual special allocation assessments against each Residential Dwelling Unit Lot in an amount proportionate to the benefit to such Residential Dwelling Unit Lot of the Special Allocation Expenses Budgets.

Written notice of the adopted budgets and Annual Assessments against each Lot shall be sent to every Lot Owner subject thereto. Unless objection to any Budget or Annual Assessment is made by the Owners of not less than fifty-one (51%) percent of the Lots subject to such Assessment within thirty (30) days after the date of mailing of such notice, the same shall be deemed adopted and shall be binding on all Members of the Association as provided in this Declaration.

In the event that the Executive Board shall fail to fix any annual assessments for any fiscal year, then each assessment established for the prior fiscal year shall be continued until such time as the Executive Board shall act.

5.5. Special Assessments for Capital Improvements

In addition to the annual assessments authorized in the Governing Documents, the Executive Board may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of a part of the Common Elements including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of Owners of Lots subject to the special assessment(s) voting at a meeting duly called for such purpose.

5.6. Notice and Quorum for any Action Authorized Under Section 5.5

Written notice of any meeting called for the purposes of taking any action authorized under Section 5.5 shall be sent to all Owners of Lots subject to the special assessment(s) not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty (60%) percent of all of the votes of the Owners of Lots subject to the special assessment(s) shall constitute a quorum. If the required quorum is not present, another meeting may be called for a date not later than sixty (60) days following the preceding meeting, subject to the same notice requirement, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

5.7. Assessment to repair damage caused by Owner or others for whom Owner is responsible

The Executive Board may levy an assessment against any Lot for the Association's cost of repair, replacement (and expenses relating thereto) of any Common Element damaged as the result of the negligence or intentional conduct of any of such Lot's Owners, residents, tenants, occupants, or guests, employees, agents, invitee or licensee of any thereof.

5.8. Payments of Assessments

The Executive Board may authorize, in its discretion, any assessment to be paid in installments thereof on an annual, quarterly or monthly basis.

5.9. Initial Assessments

Each Lot Owner (other than a Declarant) shall, at the time of the first Conveyance of a Lot from a Declarant to such Lot Owner, pay to the Association an initial assessment in the amount of Two Hundred Fifty and no/100 Dollars (\$250.00) . The initial assessment shall constitute a non-refundable payment to the Association, to be used by the Association to pay start-up expenses, to prepay certain expenses, such as insurance premiums, and to provide an initial reserve against future expenses and shall not be credited as an advance payment of annual or special assessments.

5.10. Effect of Non Payment of Assessments: Remedies of the Association

Any assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of fifteen (15%) per cent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien of such assessment or installment thereof against the Lot.

Each Owner on becoming an Owner of any Lot shall be deemed to covenant and agree to the enforcement of all assessments in the manner specified in this Declaration and in the Act. Each Owner agrees to pay reasonable attorney's fees as established from time to time by the Executive Board and costs incurred in the collection of any assessment against such Owner and/or such Owner's Lot, whether by suit or otherwise, or in enforcing compliance with or specific performance of the terms and conditions of the Governing Documents as against such Owner and/or such Owner's Lot.

Any assessment or installment thereof not paid within fifteen (15) days after the due date shall be delinquent. Thereupon the Association may exercise any one or more of the following remedies, after notice of such delinquency to the Lot Owner, which are all declared to be cumulative and not exclusive. The selection of a single remedy or multiple remedies shall not be deemed an election thereby excluding any other remedies, but the Association may exercise any and all remedies singularly, consecutively, or concurrently: (a) declare the entire balance of such annual or special assessment due and payable in full; and (b) charge a late fee in the amount to be set by the Executive Board; and (c) upon notice to the Owner suspend the right of such Owner to vote and/or to use the Common Elements until the assessment and accrued charges are paid in full (except such Owner's right and easement of enjoyment in and to the Roadways, Retaining Walls, Storm Water System, and Controlled Facilities located on an Owner's Lot shall not be suspended at any time); and (d) employ any other remedies available at law or in equity which, without limitations of the foregoing, shall include either of the following procedures:

5.10.1. Enforcement by Suit

The Association may commence and maintain a suit by law against any Owner or Owners for such delinquent assessments as to which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of fifteen (15%) per cent per annum from the due date, costs of collection, court costs, and reasonable attorney's fees. Suit to recover any money judgment for any unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

5.10.2. Enforcement by Lien

The Association may foreclose the lien imposed by §5315 of the Act and perfected by the recordation of this Declaration in accordance with, and subject to, the provisions of §5315 of the Act.

5.11. Exempt Property

All property Conveyed to any Governmental/Public Service Entity shall be exempt from assessments pursuant to this Declaration.

5.12. Enforcement by East Hempfield Township and Assessments Therefor

In the event that the Association or any successor organization, shall at any time, fail to maintain all or any portion of the Common Elements in a reasonable order and condition in accordance with the Approved Development in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal laws, rules, and regulations and retains the functional condition thereof, the Board of Supervisors of East Hempfield Township may serve written notice upon the Association or upon the Owners of the Units in the Subject Property setting forth the manner in which the Association has failed to maintain the Common Elements in such condition, and said notice shall include a demand that such deficiencies of maintenance be corrected within thirty (30) days thereof and shall state the date and place of a hearing thereon, which shall be held within fourteen (14) days of the notice.

At such hearing, East Hempfield Township may modify the terms of the original notice as to the deficiencies and may give an extension of time within which said deficiencies shall be corrected. If the deficiencies set forth in the original notice or in the modifications thereof shall not be corrected within thirty (30) days or any extension thereof, East Hempfield Township, in order to preserve the taxable value of the premises and to prevent the Common Elements from becoming a public nuisance, may enter upon such portions of the Subject Property as are necessary to maintain and may thereafter maintain the same for such period of time as the Board of Supervisors of East Hempfield Township shall determine. Said maintenance by East Hempfield Township shall not constitute a taking of said Common Elements, nor vest in the public any rights to use the same except when the same is voluntarily dedicated to the public by the Association pursuant to the terms of this Declaration and the Act and such dedication is acceptable to East Hempfield Township. Before the expiration of said period, East Hempfield

Township shall, upon its initiative or upon the request of the Association or of the Unit Owners in the Subject Property, call a public hearing to be held by the Board of Supervisors or by its designated agency upon notice to the Association or the Owners, at which hearing the Association or the Owners of Units in the Subject Property shall show cause why such maintenance by East Hempfield Township shall not, at the option of said Township, continue. If the Board of Supervisors, or its designated agency, shall determine that the Association is ready and able to maintain said Common Elements in the conditions as hereinabove set forth, East Hempfield Township shall cease to maintain the Common Elements at the end of said period. If the Board of Supervisors, or its designated agency, shall determine that the Association is not ready and able to maintain said Common Elements in the conditions as hereinabove set forth, East Hempfield Township may, in its discretion, continue to maintain said Common Elements for an additional period of time and, subject to a similar hearing and determination, in each time period thereafter. The decision of the Board of Supervisors, or its designated agency, shall constitute a final administrative decision subject to judicial review.

The cost of such maintenance and the hearing and enforcement procedure referred to above, including reasonable attorney, engineering and like fees and costs, shall be assessed ratably, in accordance with tax assessments, against the Units within the Subject Property that have a right of enjoyment of the Common Elements and shall become a lien on said Units. East Hempfield Township, at the time of entering upon the portions of the Subject Property required to maintain for the purpose of maintenance, shall file a notice of lien in the Office of the Prothonotary of Lancaster County upon the Units within the Subject Property affected by the lien.

ARTICLE VI

RESTRICTIVE COVENANTS

6.1. Use Restriction

Unless otherwise hereinafter expressly provided, all Lots shall be used solely for private, single family residential purposes.

No more than one residential dwelling with or without an Attached Garage (as such term is defined in the East Hempfield Township Zoning Ordinance, as amended) together with no more than one Carriage House (as such term is defined in the East Hempfield Township Zoning Ordinance, as amended) shall be constructed, placed or maintained on each Lot, the occupancy or utilization of all of which shall be in conformance with the provisions of the East Hempfield Township Zoning Ordinance, as amended,.

No buildings or other improvements shall be constructed, placed or maintained on any Lot as appurtenance(s) such as garages, greenhouses, sheds, and play structures unless approved as Architecturally Controlled Improvements in full and complete accordance and compliance with the provisions of Section 6.15 of this Declaration.

Every appurtenant structure including, but not limited to, garage, shed or other storage facility which is constructed, placed or maintained on a Lot shall be used exclusively by the owners or occupants of the Lot on which it is located.

6.2. Temporary Facilities

No temporary structure, trailer, garage, tent or other similar facility shall be used at any time for residential purposes.

Nothing herein shall prohibit the placement on any Lot of temporary construction trailers, sheds, portable toilets or similar items during construction, repair of, or addition to, any improvements on such Lot.

6.3. Business Use

No trade, business or profession, except customary home occupations clearly incidental to the residential use of the dwelling on a Lot and subject to compliance with and approval of all governmental agencies having jurisdiction thereof, shall be regularly conducted or pursued on any Lot or within or without any structure on any Lot

No vehicle, equipment, or structure shall be placed, maintained, constructed or operated, temporarily or permanently, on any Lot for any trade, business, or other commercial purpose.

6.4. Animals

Except for animals commonly recognized as domestic house pets, no animals of any kind, whether mammal, bird, reptile or other, shall be at any time kept on any Lot.

No animals may be raised or kept on any Lot for commercial breeding or for any other commercial purpose.

Pets shall be maintained and controlled at all times so as not to offend or disturb other Lot owners or occupants by noise, elimination, odor, intrusion, destruction of property or otherwise.

Unless approved as Architecturally Controlled Improvements in full and complete accordance and compliance with the provisions of Section 6.15 of this Declaration, no kennel, "dog runs" or "dog houses" including, but not limited to, those constructed of "chain link" or other fencing materials, shall be constructed, placed, or maintained, temporarily or permanently, on any Lot.

6.5. Nuisances

No nuisance, or noxious, offensive, or dangerous activity or thing shall be created, permitted or conducted on or about any Lot including but not limited to open or smoking fires, unfenced swimming pools, and uncovered refuse.

All garbage, trash, and other refuse shall be placed in tight, enclosed containers which shall be kept out of sight except as such may be placed for collection within 24 hours of refuse and trash collection.

6.6. Firewood

Wood or any other material which is capable of being used for fuel in a fireplace, stove, or similar heating device shall not be stored on any Lot outside of a structure on said Lot.

6.7. Tanks

Tanks for the storage of any liquid or gas (including but not limited to water, gas, oil, or propane) shall not be installed, placed or maintained on any Lot outside of a structure on said Lot and above the surface of the ground of said Lot excepting only fuel tanks which are attached to and are a part of a cooking appliance and while such appliance is in use.

6.8. Vehicles

No mobile home, bus, house car, motor home, camper, trailer, commercial vehicle, airplane, boat, unlicensed motor vehicle, snowmobile or other specialized recreational vehicle, or any inoperative vehicle shall be placed, used, operated, maintained or stored on any Lot or any other part of the Community, nor parked on any street within the Community, except for such time as is necessary to load or unload same, or pickup or discharge passengers therefrom.

Nothing herein shall prohibit the storage of any of the aforesaid vehicles provided such storage is completely within a garage.

6.9. Fences and Hedges

No fence or hedges or mass groupings of shrubs, trees or other plantings which could be a visual barrier comparable to a fence shall be erected, installed, or maintained on any Lot unless and until such fence, hedge, or other plantings, together with the landscaping to be installed adjacent or in proximity thereto, shall have been approved as an Architecturally Controlled Improvement pursuant to the provisions of Section 6.15 of this Declaration.

6.10. Surface Water Flow

After the completion of the construction thereon of a residential dwelling together with appurtenant structures, if any, and the establishment of grades for the flow of surface water, the grading of any Lot shall not be changed or modified so as to impede, redirect, accelerate or otherwise change or modify the flow of surface water to, over or from the Lot.

6.11. Swimming Pools

No swimming pool shall be constructed, placed or maintained upon any Lot unless the same shall have been approved as an Architecturally Controlled Improvement pursuant to the terms of Section 6.15 of this Declaration.

6.12. Laundry

No poles, wires, ropes, or other fixtures or appliances or portion thereof upon which laundry is hung or exposed shall be erected, placed or maintained upon any Lot unless the same shall have been approved as an Architecturally Controlled Improvement pursuant to the terms of Section 6.15 of this Declaration.

6.13. Gardens

Any flower or vegetable garden maintained on any Lot shall be:

- 6.13.1. maintained free of unsightly weeds and dead plants and/or crops; and
- 6.13.2. maintained such that there shall be no soil erosion of the garden area; and
- 6.13.3. unless the same shall have been approved as an Architecturally Controlled Improvement pursuant to the terms of Section 6.15 of this Declaration, not be in excess of three hundred (300) square feet in size.

6.14. Signs

No signs, billboards, notices, advertising, displays, or other attention attracting devices shall be erected or maintained on any Lot excepting:

- 6.14.1. signs identifying the address of the Lot to the extent required by governmental entities having jurisdiction thereof;
- 6.14.2. small signs not exceeding one (1) square foot in size identifying the occupant, and home occupation, if applicable; and
- 6.14.3. temporary real estate signs not exceeding six (6) square feet in size advertising the sale or lease of the property.

6.15. Architectural Review and Approval

"Architecturally Controlled Improvement" shall mean and refer to each and every one of the following (excepting any of such which is prior to the first Certificate of Occupancy issued for occupancy of a dwelling on a Lot):

- 6.15.1. construction of any improvement to any Lot within the Subject Property which such construction shall require a permit therefor from any governmental entity having jurisdiction thereof; and
- 6.15.2. construction or placement of any structure, improvement or item on a Lot appurtenant to the single family residential dwelling house on the Lot including, but not limited to, any garage, carport, patio cover, greenhouse, pool house, shed, storage building, playhouse or play structure, fireplace, grill, or other cooking or food preparation facility (excepting such of which as are portable and, when not in use, are stored within a structure), poles, wires, ropes, or other fixtures or appliances or portion thereof upon which laundry is hung or exposed, dog house, kennel or dog run, or any roofed, covered, or enclosed shelter of any manner or kind; and

- 6.15.3. any alteration, modification or change in or to any of the exterior components, fixtures, materials, colors, and/or appearance of any building, fence, wall or other structure or any portion thereof (including without limitation, any painting or staining thereof); and
- 6.15.4. any addition to and/or demolition or removal of any building, fence, wall or other structure or any portion thereof; and
- 6.15.5. construction or placement on the Lot of any swimming pool; and
- 6.15.6. installation, placement or construction of mailbox(es) or mailbox supports, except for the substantially similar replacement of the mailbox and mailbox support installed contemporaneously with the construction of the residential structure on the Lot; and
- 6.15.7. installation of lighting fixtures, illuminating devices or illumination sources, including but not limited to lamppost lights, anywhere on a Lot excepting only such lighting fixtures, illuminating devices or illumination sources installed wholly within a building on a Lot; and
- 6.15.8. fencing, together with landscaping adjacent or in proximity thereto; and
- 6.15.9. Any flower or vegetable garden maintained on any Lot in excess of three hundred (300) square feet in area.

Anything in this Declaration to the contrary notwithstanding, except for such improvements or work as are the substantially similar replacement of improvements and/or work previously approved pursuant to the provisions of this Section 6.15, no Architecturally Controlled Improvement shall be permitted to commence or remain unless and until such improvement or work shall have been approved pursuant to the provisions of this Section 6.15.

Any Lot Owner desiring to construct or cause to be constructed or work to be performed of an Architecturally Controlled Improvement shall submit to the Executive Board for approval: (1) plans, construction documents and drawings for such improvement or work, which plans, documents and drawings shall clearly show the scope of the work and/or the proposed architectural design, and describe all exterior materials and colors to be used in the construction or implementation of the proposed improvement; and (2) the proposed lines and grades and site plans; and (3) landscape plans (hereinafter collectively referred to as "Proposed Work/Construction Documents").

The Proposed Work/Construction Documents shall be deemed received by the Executive Board when, and only when, the person or entity submitting same shall have received written acknowledgments evidencing the receipt of the Proposed Work/Construction Documents signed by no less than such number of members of the Executive Board as shall constitute a majority thereof.

Each and every Lot Owner, by the acceptance of a deed to a property subject to the conditions, covenants, restrictions and easements set forth in this Declaration, acknowledges and agrees that any Architecturally Controlled Improvement constructed, installed, placed or maintained on said Lot Owner's Lot without approval of the Executive Board as set forth in this Section 6.15 ("Non-conforming Modification"), shall be removed in its entirety, within Fifteen (15) days of notice to said Lot Owner of such Non-conforming Modification, (which such notice shall be by the mailing thereof by certified mail, return receipt requested to the resident of the Lot, or by hand delivery to an adult resident of said Lot). Such removal shall be at the expense of said Lot Owner, and each and every Lot Owner, by the acceptance of a deed to a Lot, hereby grants to the Executive Board an easement, license, and the authority to cause such Non-conforming Modification to be removed at said Lot Owner's expense if not removed within fifteen (15) days after notice as aforesaid. Notwithstanding any provision of this Declaration to the contrary, no summary abatement of any Non-conforming Modification (including without limitation the grant to the Executive Board an easement, license, and the authority to cause such Non-conforming Modification to be removed at said Unit Owner's expense if not removed within fifteen (15) days after notice) which would result in the alteration or demolition of any item of construction shall commence unless and until judicial proceedings to restrain violation or to recover damages, of violations or attempts to violate any restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Governing Documents shall have been instituted.

The Executive Board shall consider the suitability of the proposed work and/or improvement, including the extent of the work and, if applicable, the materials and colors to be utilized, the siting and landscaping thereof, if any, the harmony thereof with surroundings, including dwellings and/or other structures within the Subject Property, and the effect on, and view from, adjacent and neighboring properties. The Executive Board shall, by a vote of the majority thereof, have the right, in its sole discretion, to approve or disapprove any proposed Architecturally Controlled Improvement.

Within thirty (30) days of receipt thereof, the Executive Board shall approve or disapprove, in writing to the person or entity who shall have submitted same, each proposed Architecturally Controlled Improvement submitted as aforesaid and, if disapproved, an explanation of the reasons therefor. If the Executive Board shall fail to approve or disapprove any submitted proposed Architecturally Controlled Improvement within thirty (30) days of receipt thereof, the same shall be deemed approved.

6.16. Compliance with Laws

No building, appurtenant structure or other improvement shall be constructed, placed or maintained on any Lot other than is permissible, with, if required, variance sought and granted, except pursuant to all statutes, laws, ordinances, rules and regulations of all governmental entities having jurisdiction thereof.

All construction, and all parts and phases thereof including, but not limited to, electrical work and plumbing, shall be performed in accordance with all applicable building codes and regulations.

ARTICLE VII

SPECIAL DECLARANT RIGHTS

7.1. Right to subject Property to Easements

Declarant shall have the full power and authority to exercise Declarant's right to subject the Subject Property to Easements pursuant to the provisions of Section 3.4.7 of this Declaration.

7.2. Exercise of Rights

Declarant shall have the full power and authority to exercise Declarant's right to modify pursuant to the provisions of Section 2.1 and Section 3.5 of this Declaration.

Declarant shall have the full power and authority to exercise Declarant's right to appoint members of the Executive Board pursuant to the provisions of Section 4.5.2 of this Declaration.

7.3. Right to Use of Easements

Declarant shall not be denied the use of, and Declarant shall have the full, continuous, and uninterrupted right of use of Easements as set forth in this Declaration, including but not limited to such as set forth in Section 3.4.5 of this Declaration.

7.4. Exception for Development and Sales

Notwithstanding anything in this Declaration to the contrary, nothing herein shall prohibit the use of any portion of the Subject Property, including any Lots or any other portion of the Subject Property, for the development, construction, and sales of the Lots, with or without Residential Dwelling Units thereon, and/or the sale of or contracting for construction of residential dwellings and appurtenant structures.

No prohibition against business use, prohibition against signage, or prohibition against other uses of the Lots or other portions of the Subject Property shall prohibit the seller of Lots and/or residential dwellings thereon from placing, constructing, installing and maintaining such sales offices, signs, temporary structures and facilities, business activities and similar things and activities as such seller shall deem appropriate for the purposes of such sales, construction and related activities.

ARTICLE VIII

SECURED LENDERS

8.1. Rights of Secured Lenders

In order to induce Secured Lenders to make loans secured by liens upon Lots or lands within the Community of Veranda, subject to the provisions of §5221 of the Act, the Association shall not, without the prior written consent of at least whatever percent of first mortgagees of individual Lots as is required by Financing Agencies having jurisdiction thereof and two-thirds (2/3) of Owners other than the Declarant:

- 8.1.1. by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer any of the Common Facilities owned directly or indirectly excepting, however, Conveyances to Governmental/Public Service Entities consistent with common property use are excepted;
- 8.1.2. change the method of determining the obligation, assessments, dues or other charges which may be levied against an Owner;
- 8.1.3. by act or omission, change, waive or abandon regulations or enforcement pertaining to restrictive covenants, the maintenance of the Common Elements, or the upkeep of lawns and plantings;
- 8.1.4. fail to maintain fire and extended coverage on insurable property on a basis as required by Financing Agencies; and
- 8.1.5. use hazard insurance proceeds for losses to Common Elements for other than the repayment for, replacement or reconstruction of such Common Elements.

8.2. Obligations of Association to Secured Lenders

As further inducement to Secured Lenders, subject to the provisions of the Act, the Association shall:

- 8.2.1. not make liable any mortgagee who obtains title to a Lot, pursuant to the remedies provided in the mortgage, for such Lot's unpaid assessments, installments thereof or charges which accrue prior to the acquisition of title to such Lot by the mortgagee;
- 8.2.2. allow mortgagees of Lots to, jointly or singly, pay taxes or other charges against the Common Elements and pay overdue premiums on hazard insurance policies, or secure new hazard insurance policies on the lapse of a policy for such Common Elements and mortgagees making such payment shall be owed immediately reimbursement therefor from the Association;

- 8.2.3. give written notification, upon written request, to any first mortgagee, at the address designated in the request, of any default in the performance by any individual Lot mortgagor or such individual Lot mortgagor's obligations pursuant to the terms of the Governing Documents;
- 8.2.4. limit any agreement for professional management or any contract providing for services from or by the Declarant to that required by any federal agencies having jurisdiction thereof and provide for termination in accord with standards of federal agencies. Any management agreement shall remain consistent with the Governing Documents.

ARTICLE IX

GENERAL PROVISIONS

9.1. Enforcement

The Association, the Board of Supervisors of East Hempfield Township, the Declarant, or any Owner shall have the right to enforce, by any proceedings at law or in equity, either to restrain violation or to recover damages, all violations or attempts to violate any restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Governing Documents.

Failure to enforce any restrictions, covenants or agreements contained in the Governing Documents shall in no event be deemed a waiver of the rights to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto.

9.2. Severability

Invalidation of any one of the conditions, covenants or restrictions of this Declaration by judgment or court order shall not affect any other provisions, all of which shall remain in full force and effect.

9.3. Amendment

Subject to the provisions of §5219 of the Act, the conditions, covenants and restrictions of this Declaration shall run with and bind the land in perpetuity and may be changed, altered, modified or extinguished in whole or in part, at any time, by an instrument, in writing, signed by not less than the record owners of seventy-five percent (75%) of the Lots within the Subject Property, which such Amendment shall be recorded in the office of the Recorder of Deeds, Lancaster County, Commonwealth of Pennsylvania.

No provisions of this Declaration pursuant to which any special Declarant rights have been reserved to a Declarant shall be amended without the express written joinder of the Declarant in such amendment.

9.4. Conflict

In the event of irreconcilable conflict among the Governing Documents, ordinances, statutes, rules and regulations, the conflict shall be resolved in favor of the requirements of the respective documents in order of their hereinafter stated priority, to wit:

- 9.4.1.1. The Act;
- 9.4.1.2. The Subdivision Plan, as the same may be modified, as approved by East Hempfield Township;
- 9.4.1.3. The Overall Development Plan , as the same may be modified, as approved by East Hempfield Township;
- 9.4.1.4. The East Hempfield Zoning Ordinance of 1988, as the same may be amended;
- 9.4.1.5. This Declaration;
- 9.4.1.6. Articles of Incorporation of the Association;
- 9.4.1.7. Bylaws of the Association;
- 9.4.1.8. Book of Resolutions of the Association.

Anything above to the contrary notwithstanding, in all cases the requirements of all regulatory statutes shall control.

9.5. Interpretation

Unless the context otherwise requires the use herein, the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including without limitation." The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing the substantive provisions hereof.

IN WITNESS WHEREOF, the said Hempfield Valley Partnership, a Pennsylvania general partnership, has caused its name by Steven E.P. Santiago, General Partner and by Charter Communities, LLC, a Pennsylvania limited liability company, General Partner, by Robert P. Bowman, Sole Member, to be hereunto set the day and year first above written.

SIGNED SEALED AND DELIVERED
IN THE PRESENCE OF:

Hempfield Valley Partnership
a Pennsylvania general partnership

By: _____
Steven E.P. Santiago, General Partner

By Charter Communities, LLC
a Pennsylvania limited liability company
General Partner

By: _____
Robert P. Bowman, Sole Member

COMMONWEALTH OF PENNSYLVANIA)
_____) SS.
COUNTY)

BE IT REMEMBERED that on this _____ day of _____, 2004, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid Steven E.P. Santiago, General Partner of Hempfield Valley Partnership, a Pennsylvania general partnership existing under the laws of the Commonwealth of Pennsylvania, party to this Declaration, known to me personally to be such, and acknowledged that he, as general partner of Hempfield Valley Partnership, a Pennsylvania general partnership, executed the foregoing instrument for the purposes therein contained.

GIVEN under my hand and seal of office, the day and year aforesaid.

NOTARY PUBLIC
My Commission expires:

NOTARIAL SEAL

COMMONWEALTH OF PENNSYLVANIA)

) SS.

_____ COUNTY)

BE IT REMEMBERED that on this _____ day of _____, 20__, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid Robert P. Bowman, Sole Member of Charter Communities, LLC, General Partner of Hempfield Valley Partnership, a Pennsylvania general partnership existing under the laws of the Commonwealth of Pennsylvania, party to this Declaration, known to me personally to be such, and acknowledged that he as such Sole Member, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Charter Communities, LLC, a Pennsylvania limited liability company, by himself as President, as general partner of Hempfield Valley Partnership, a Pennsylvania general partnership.

GIVEN under my hand and seal of office, the day and year aforesaid.

NOTARY PUBLIC

My Commission expires:

NOTARIAL SEAL

EXHIBIT "A"

Description of Overall Property

ALL THAT CERTAIN tract or parcel of land situated in East Hempfield Township, Lancaster County, Pennsylvania, lying on the southerly side of Old Harrisburg Pike approximately 1,000 feet southeast of the intersection of Sylvan Road and Old Harrisburg Pike (S.R. 4020), being more particularly described as follows:

BEGINNING in the center of the Old Harrisburg Pike (60 feet wide) at the division line between lands now or formerly of Forry Harford and Elsie Louise Getz (D.B. E-67, Pg. 387) and the lands now or formerly of Robert Z. Getz et.al. (D.B. 2200, Pg. 654); thence along said division line, and crossing over an iron pin on the southern right of way line of the Old Harrisburg Pike, South 20 degrees 21 minutes 00 seconds West a distance of 429.67 feet to a stone; thence along the same, North 68 degrees 15 minutes 40 seconds West a distance of 162.73 feet to an iron pin set (#4 Rebar); thence still along the same and along lands now or formerly of Sylvan View Farms (D.B. T-85, Pg. 601) and crossing over a concrete monument on the division line between the lands of Forry Harford Getz and Sylvan View Farms, South 30 degrees 48 minutes 05 seconds West a distance of 1278.50 feet to an iron pin (#4 Rebar) at the corner of land of Joseph F. and Dianne M. Roda (D.B. B-89, Pg. 697); thence along the same, North 65 degrees 35 minutes 15 seconds West a distance of 751.04 feet to an iron pin (#4 Rebar); thence continuing along the same, and along the lands now or formerly of Harriet E. Brackbill (D.B. 6682, Pg. 0282) and crossing over an iron pin (#4 Rebar) on the division line between the lands of Joseph F. Roda and Harriet E. Brackbill, South 53 degrees 44 minutes 50 seconds West a distance of 1320.73 feet to a railroad spike in Sylvan Road; thence in and along Sylvan Road (33 feet wide), the following four (4) courses and distance:

1. North 24 degrees 37 minutes 20 seconds West a distance of 104.55 feet to a railroad spike,
2. by a curve to the left having a radius of 1941.00 feet, an arc length of 139.94 feet, (a chord bearing North 26 degrees 41 minutes 16 seconds West a distance of 139.91 feet) to a railroad spike,
3. North 28 degrees 45 minutes 15 seconds West a distance of 193.57 feet to a railroad spike,
4. by a curve to the right having a radius of 110.00 feet, an arc length of 102.48 feet, (a chord bearing North 11 degrees 45 minutes 35 seconds West a distance of 98.82 feet) to a railroad spike;

thence along the eastern line of Sylvan Crossing and crossing over a concrete monument on the northern right of way line of Sylvan Road, a concrete monument on the northern right of way line of Hyde Park Drive, a concrete monument on the southern right of way line of Moorgate Road, and an iron pin (#4 Rebar) set on the southern right of way line of the Old Harrisburg Pike, North 44 degrees 56 minutes 40 seconds East a distance of 2524.57 feet to the centerline of the Old Harrisburg Pike; thence along the same the following three (3) courses and distances:

1. by a curve to the left having a radius of 698.00 feet, an arc distance of 208.23 feet, (a chord bearing South 65 degrees 41 minutes 55 seconds East a distance of 207.46 feet)
2. South 74 degrees 14 minutes 40 seconds East a distance of 556.49 feet to a Highway Nail,
3. South 73 degrees 12 minutes 10 seconds East a distance of 434.32 feet to the point of beginning.

CONTAINING: 63.95 Acres.

EXHIBIT "B"

Description of Phase 1

All that certain tract or parcel of land situated in East Hempfield Township, Lancaster County, Pennsylvania, lying on the southerly side of Old Harrisburg Pike approximately 1,000 feet southeast of the intersection of Sylvan Road and Old Harrisburg Pike (S.R. 4020), being more particularly described as follows:

BEGINNING at an iron pin on the southern right of way line of the Old Harrisburg Pike (60 feet wide) at the division line between lands now or formerly of Forry Harford and Elsie Louise Getz (D.B. E-67, Pg. 387) and the lands now or formerly of Hempfield Valley Partnership (Lancaster Recorder of Deeds Document #5271403); thence along said division line, South 20 degrees 21 minutes 00 seconds West, a distance of 399.63 feet to a stone; thence along the same, North 68 degrees 15 minutes 40 seconds West, a distance of 162.73 feet to an iron pin set (#4 Rebar); thence still along the same and along lands now or formerly of Sylvan View Farms (D.B. T-85, Pg. 601) and crossing over a concrete monument on the division line between the lands of Forry Harford and Elsie Louise Getz and Sylvan View Farms, South 30 degrees 48 minutes 05 seconds West, a distance of 683.97 feet to point; thence North 59 degrees 11 minutes 55 seconds West, a distance of 29.26 feet to a point, said point being the southeast property corner of proposed Lot #43; thence along the southern (side) property line of said Lot #43, North 56 degrees 32 minutes 00 seconds West, a distance of 100.00 feet to a point, said point being the southwest property corner of proposed Lot #43; thence across the proposed public right of way for Drake Lane, North 56 degrees, 52 minutes, 58 seconds West, a distance of 50.00 feet to a point; thence North 33 degrees 28 minutes 00 seconds East, a distance of 22.09 feet to a point, said point being on the southern side of the proposed Hastings Alley, a private street; thence along the southern side of said Hastings Alley, North 56 degrees 32 minutes 00 seconds West a distance of 72.92 feet to a point; thence along the southern side of said Hastings Alley by a curve to the left having a radius of 868.00 feet, an arc distance of 268.01 feet, and a chord bearing North 65 degrees 22 minutes 44 seconds West a distance of 266.95 feet, to a point; thence across the proposed public right of way for Croquet Lane, North 77 degrees 51 minutes 41 seconds West, a distance of 49.67 feet to a point; thence along the southern side of the continuation of the proposed Hastings Alley, a private street, by a curve to the left having a radius of 368.00 feet, an arc distance of 285.42 feet, and a chord bearing South 76 degrees 03 minutes 18 seconds West, a distance of 278.32 feet to a point; thence across the said Hastings Alley, North 38 degrees 28 minutes 49 seconds West, a distance of 16.01 feet to a point, said point being the southeast property corner of proposed Lot #91; thence along the southwestern (side) property line of said Lot #91, North 36 degrees 15 minutes 40 seconds West, a distance of 91.00 feet to a point, said point being the southwest property corner of said Lot #91; thence across the proposed public right of way for Hammock Way, North 37 degrees 36 minutes 06 seconds West, a distance of 50.01 feet to a point, said point being the southeast property corner of proposed Lot #109; thence along the southwestern (side) property line of said Lot #109, North 36 degrees 23 minutes 20 seconds West, a distance of 114.00 feet to a point, said point being the southwest property corner of said Lot #109; thence along the southeastern (rear) property line of proposed Lot #114, South 41 degrees 14 minutes 50 seconds West, a distance of 20.81 feet to a point, said point being the southeast property corner of said Lot #114; thence along the southwestern (side) property line of said Lot #114, North 45 degrees 03 minutes 20 seconds West, a distance of 120.47 feet to a point, said point being the southwest property corner of said Lot #114; thence South 44 degrees 56 minutes 39 seconds West, a distance of 36.53 feet to a point; thence across the proposed public right of way for Banner Drive, North 44 degrees 22 minutes 40 seconds West, a distance of 50.00 feet to a point, said point being the property corner of proposed Lot #126; thence along the southwestern (side) property line of said Lot #126, North 45

degrees 03 minutes 20 seconds West, a distance of 135.00 feet to a point, said point being on the eastern line of the "Sylvan Crossing" subdivision; thence along the eastern line of said "Sylvan Crossing" subdivision, North 44 degrees 56 minutes 40 seconds East, a distance of 943.36 feet to an iron pin (#4 Rebar) set on the southern right of way line of the Old Harrisburg Pike; thence along the said Old Harrisburg Pike southern right of way line the following three (3) courses and distances:

1. by a curve to the left having a radius of 728.39 feet, an arc distance of 223.59 feet, and a chord bearing South 65 degrees 26 minutes 53 seconds East a distance of 222.72 feet to a point,
2. South 74 degrees 14 minutes 40 seconds East, a distance of 556.22 feet to a point, and
3. South 73 degrees 12 minutes 10 seconds East, a distance of 432.19 feet to a point, said point being the place of beginning.

CONTAINING: 1,242,889 Square Feet, or 28.53 Acres.

EXHIBIT "C"

Improvements

2	EA.	2 x 2 Inlet (Lawn Drain)
51	EA.	Type M Inlet (Standard)
11	EA.	Type M Inlet (Type 1)
8	EA.	Type M Inlet (MOD Type 1) 72"
4	EA.	3.3 x 7.3 Type M Inlet (Double)
1	EA.	4.2 x 7.3 Type M Inlet (Type 1 Double)
1	EA.	Manhole 4x7
1	EA.	Endwall RCP 15"
1	EA.	Endwall RCP 18"
1	EA.	Endwall RCP 30"
1	EA.	Endwall RCP 38"x60"
2,058	LF.	15" RCP
390	LF.	18" RCP
292	LF.	24" RCP
1,060	LF.	30" RCP
332	LF.	36" RCP
544	LF.	38"x60" RCP
610	LF.	15" HDPE
465	LF.	18" HDPE
126	LF.	30" HDPE
690	LF.	4" Base Drain
825	LF.	6" Base Drain
3,685	SY.	3" 2A Mod Stone (Alleys)
3,685	SY.	5" BCBC (Alleys)
3,685	SY.	1" ID-2 Wearing (Alleys)
16,020	SY.	6" 2A Mod Stone (Public Street)
16,020	SY.	6" BCBC (Public Street)
16,020	SY.	1.5" ID-2 Wearing (Public Street)
1,315	SY.	Paved Walking Path
9,422	LF.	Belgian Curb fine grade
9,422	LF.	Belgian Curb Block
5	EA.	Granite Cross Walk conc base
5	EA.	Granite Cross Walk
580	SY.	6" 2A Mod Stone (Temp Turn)
580	SY.	2.5" BCBC (Temp Turn)
9,422	LF.	5' Conc Walk
32	EA.	Street Signs
20	EA.	Lighting
17	EA.	Conc. Monuments
33	EA.	Manhole
3	EA.	5' Dia Inside Drop Manhole
5,460	LF.	8" SDR35
3,210	LF.	6" SDR36
91	EA.	8"x6" WYE
91	EA.	6" Test Tee

4,760	LF.	8" DIP
28	EA.	8" Gate Valve and Box
7	EA.	8" Tee
32	EA.	8" 45 deg Bend
4	EA.	8" x2" Blow Off
310	LF.	6" DIP
24	EA.	6" Gate Valve and Box
10	EA.	8"x6" Tee
4	EA.	6" 45 deg Bend
1	EA.	6" x2" Blow Off
1	EA.	8"x6" Reducer
10	EA.	Fire Hydrant
30	CY.	Thrust Blocks
89	EA.	3" Service Conduit
89	EA.	3/4" Service

Exhibit "D"

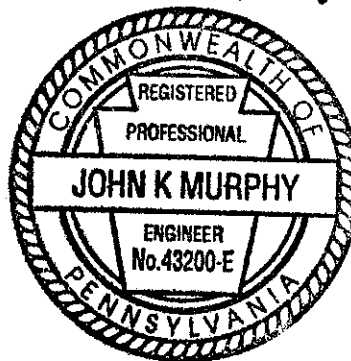
CERTIFICATION

I, John K. Murphy, hereby certify that:

1. I am an independent Pennsylvania registered professional engineer.
2. I am aware of the requirements of ' 5210 of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. ' 5101, *et seq.* (the "Act"), relating to the contents of plats and/or plans.
3. The *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield, Lancaster County, Pennsylvania* (the "Declaration"), together with the Subdivision Plan (as such term is defined in Section 1.48 of the Declaration, including recording information), contain all information required by § 5210 of the Act.

Dated this 6th day of May, 2004.

John K. Murphy



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**DECLARATION REGARDING
STORM WATER FACILITIES MAINTENANCE**

Declaration made this 5th day of April, 2004 by Hempfield Valley Partnership, a Pennsylvania General Partnership with a residence or place of business at 114 Foxshire Drive, Lancaster, Pennsylvania 17601 (hereinafter referred to as "Declarant").

BACKGROUND. Declarant is the owner of premises situate at the south side of Old Harrisburg Pike 1,500 feet east of the Sylvan Road intersection, such property being known as Phase 1 of "Veranda" – A Planned Community, East Hempfield Township, Lancaster County, Pennsylvania, as more specifically set forth in a deed or deeds recorded in Document 5271403 and as shown on one or more plans prepared by Alpha Consulting Engineers, Inc., Drawing No. 230633 dated November 7, 2003, most recently revised April 5, 2004, Sheet(s) No. 1 - 21 (hereinafter referred to as the "Premises").

Prior to any major earth disturbance activity, Declarant is required, under the East Hempfield Township Storm Water Ordinance, Ordinance No. 7-2.6 (the "Ordinance"), to apply for and obtain a Storm Water Management Permit from the Township or its authorized representative. Declarant is required under §304.02 of the Ordinance, in order to obtain the permit, to submit a written hydraulic report and erosion and sedimentation narrative, including, without limitation, a declaration of ownership and maintenance responsibility of storm water facilities.

The purpose of this Declaration is to describe the ownership and maintenance responsibility for storm water facilities and to impose that responsibility on successor owners of the Premises.

Exhibit "E"

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NOW THEREFORE, intending to be legally bound and in consideration of the requested issuance by the Township of a Storm Water Management Permit, Declarant, for Declarant and the assigns and successors of Declarant, covenants and declares as follows:

1. The storm water facilities will be owned by:

Veranda Neighborhood Association, Inc.

2. All drainage courses, swales, storm water inlets, mains, lines, detention basins, berms, terraces, bridges, dams, infiltration systems and related storm water facilities which are not to be offered to the Township for dedication shall be maintained by Declarant, or the successors or assigns of Declarant, in a first class condition in conformity with the Storm Water Management Plan and sufficient to meet or exceed the performance standards and specifications set forth in the Storm Water Management Plan. Such responsibilities shall be fulfilled as follows:

- (A) The method of meeting the maintenance responsibilities is as follows:

In accordance with the methodology and descriptions provided in the "Post-Construction Stormwater Management Plan & Narrative for Veranda" dated May 2003 and revised October 2003 as reviewed and approved by East Hempfield Township (copy attached).

- (B) The minimum duration of and frequency of the tasks necessary to meet the maintenance responsibilities are as follows:

In accordance with the methodology and descriptions provided in the "Post-Construction Stormwater Management Plan & Narrative for Veranda" dated May 2003 and revised October 2003 as reviewed and approved by East Hempfield Township (copy attached).

- (C) The person(s), corporation(s), association(s), trust(s), estate(s) or other entities responsible to perform such maintenance are as follows:

Veranda Neighborhood Association, Inc.



3. Declarant, for itself, its successors and assigns, authorizes the Township, at any time and from time to time, by its authorized representatives, to enter upon the Premises to inspect the storm water facilities.

4. Township may require Declarant, its successors or assigns, or any future owner or occupier of the Premises, to take such corrective measures as are reasonably necessary to bring the Premises into compliance with the Storm water Management Plan.

5. Township itself, through its authorized representatives, may take such corrective measures as are reasonably necessary to bring the Premises into compliance with the Storm Water Management Plan and may charge the cost thereof to Declarant, its successors or assigns, or any owner of the Premises, and, in default of such payment, may cause a lien to be imposed upon the Premises.

6. Declarant hereby imposes upon the Premises for the benefit of all present and future owners of the Premises, or a part of the Premises, the Township and all other property owners affected by the storm water facilities, the perpetual nonexclusive right, privilege and easement for the draining of storm water in and through the storm water detention basins, drainage courses, swales, storm water inlets, mains, lines, berms, terraces, bridges, dams, infiltration systems and related storm water facilities depicted on the plan or plans submitted to Township on or constructed upon the Premises, and, in addition, easements of access to such facilities.

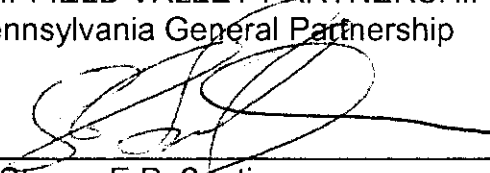
7. This Declaration shall be binding upon Declarant, the successors and assigns of Declarant, and all present and future owners of the Premises, and is intended to be recorded in order to give notice to future owners of the Premises of their duties and responsibilities with respect to the storm water facilities.



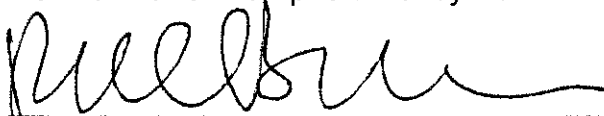
8. This Declaration may be amended on by written instrument signed on behalf of all owners of the Premises and the Township. If one or more lots or interests in real estate included in the Premises are held in a condominium form of ownership, the owner's association or similar entity shall be deemed the owner of said lots or interest in real estate, and the joinder in the amendment of such association or similar entity shall be required in lieu of the joinder of the individual owners of such lots or interests.

IN WITNESS WHEREOF, this Declaration is made the date first above written.

HEMPFIELD VALLEY PARTNERSHIP,
a Pennsylvania General Partnership

By:  (Seal)
Steven E.P. Santiago
General Partner of Hempfield Valley Partnership

CHARTER COMMUNITIES, LLC,
General Partner of Hempfield Valley Partnership

By:  (Seal)
Robert P. Bowman
sole member of Charter Communities, LLC

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COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF Cumberland)

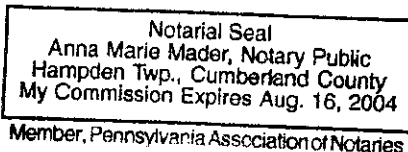
SS:

BE IT REMEMBERED that on this, the 5th day of April, 2004, before me Anna Marie Mader, the undersigned Notary Public for the State and County aforesaid, personally appeared Steven E.P. Santiago who acknowledged himself/herself to be the general partner or designated agent of Hempfield Valley Partnership, a Pennsylvania General Partnership, and that they as such general partner or designated agent, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the partnership by themselves as general partners or designated agents.

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

Anna Marie Mader

Notary Public



My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF Lancaster)

SS:

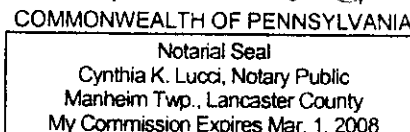
BE IT REMEMBERED that on this, the 5th day of April, 2004, before me Cynthia K. Lucci, the undersigned Notary Public for the State and County aforesaid, personally appeared Robert P. Bowman, sole member of Charter Communities, Limited Liability Corporation who acknowledged himself/herself to be the general partner or designated agent of Hempfield Valley Partnership, a Pennsylvania General Partnership, and that they as such general partner or designated agent, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the partnership by themselves as general partners or designated agents.

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

Cynthia K. Lucci

Notary Public

My Commission Expires: March 1, 2008



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POST CONSTRUCTION STORMWATER MANAGEMENT

PLAN & NARRATIVE

FOR

VERANDA

Submitted in Conjunction with the Notice of Intent for Coverage
under the General NPDES Permit for
Veranda dated May, 2003

DEVELOPER:
HEMPFIELD VALLEY PARTNERSHIP
c/o CHARTER HOMES BUILDING COMPANY
REP: JAMIE BRUBAKER
TITLE: PROJECT MANAGER
114 FOXSHIRE DRIVE
Lancaster, PA 17601
(717) 560-1400

**THE ABOVE ENTITY SHALL BE RESPONSIBLE FOR CONSTRUCTION
AND IMPLEMENTING
POST-CONSTRUCTION STORMWATER MANAGEMENT.**

SITE LOCATED IN:
EAST HEMPFIELD TOWNSHIP, LANCASTER COUNTY
PENNSYLVANIA

MAY 2003
Revised: OCTOBER 2003

PLAN PREPARED BY:
ALPHA CONSULTING ENGINEERS, INC.
145 Limekiln Road, Suite 600, P.O. Box 'G'
New Cumberland, PA 17070
(717) 770-2500

Exhibit "F"

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INTRODUCTION

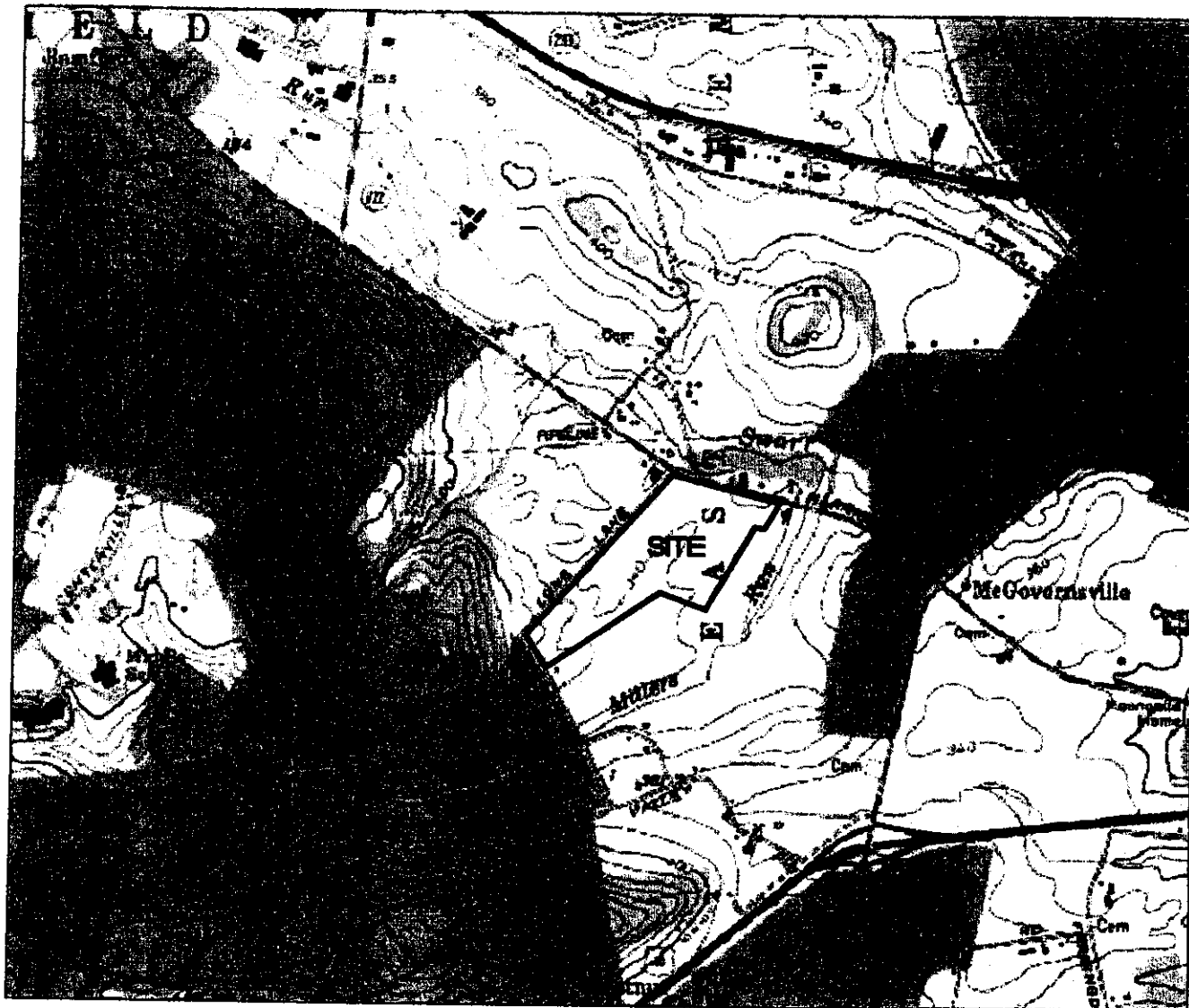
Veranda is a 180 lot single family development proposed by Hempfield Valley Partnership on a 62.8 acre site located along the southerly side of Old Harrisburg Pike approximately 1,000 feet southeast of the intersection of Sylvan Road and Old Harrisburg Pike in East Hempfield Twp., Lancaster County, Pennsylvania (See U.S.G.S. Map on pg. 2). Currently the site is used for agricultural purposes and is annually planted in row crops. The topography is gently sloping, roughly (5-15%) to the north. Soils are generally well drained and are predominately of the Hagerstown series. The existing watershed scenario is illustrated in Figure 1A and shows the site divided into two drainage areas. This site is part of the Little Conestoga Creek Watershed of which Lancaster County has prepared and approved an ACT 167 Stormwater Management Plan (File No SWMP 152:36, Project No. 96296 dated December 1997).

Development will take place in four phases over an eight year period. All 62.8 acres will be developed for this project. This includes all roadways, two areas for stormwater management, 122 lots for the single family detached lots, 36 duplex units, and 22 townhouse units. In the post-development condition, the site will be 45% impervious. The proposed development watershed scenario is illustrated in Figure 1B and shows the site divided into two drainage areas.



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U.S.G.S LOCATION MAP



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SOURCE:

U.S.G.S. QUADRANGLE SERIES

COLUMBIA EAST and LANCASTER, PENNSYLVANIA QUADRANGLE



ALPHA CONSULTING ENGINEERS, INC.
PLANNING • ENGINEERING • SURVEYING
429 SOUTH 18TH STREET
CAMP HILL, PENNSYLVANIA 17011
PHONE : (717) 763 - 8500
FAX : (717) 763 - 8600
WWW.ALPHACEI.COM

VERANDA

EAST HEMPFIELD TOWNSHIP
LANCASTER COUNTY
PENNSYLVANIA

METHODOLOGY / BMP's

In order to promote storm water infiltration, maintain water quality and prevent scour and erosion from occurring in streams receiving storm water runoff from the project site, several measures will be implemented in the post construction phase of this project. The Pennsylvania Handbook of Best Management Practices for Developing Areas outlines methods to accomplish this. In addition, several best management practices (B.M.P.'s.) are outlined in the '2000 Maryland Storm Water Design Manual.' The following is a summary of B.M.P.'s. that shall be put into operation for this project:

1. Infiltration of Difference in Volume of Water for 2 Year Storm (Pre to Post Developed Conditions):

The project has been designed such that the increase in volume of the 2 year storm due to development will be retained and infiltrated within the watershed. Pond 2A is to be constructed as a bio-retention pond. This has been designed in accordance with the Pennsylvania Handbook of B.M.P. for Developing Areas and accomplishes the following:

- a. **Water Quality:** Infiltration allows natural purification of water pollutants by means of evaporations, plant transpiration and ground percolation. Sustaining pre-construction ground water maintains base flow to streams which in turn preserves groundwater resources, surface water quality and habitat.
- b. **Prevention of Scour and Erosion:** In addition to preserving water quality, this design will also prevent short duration, high intensity storms (nuisance storms) from exiting the property. Traditional methods of storm water management do not usually account for storms with an annual return probability of 50% (Two-year Storm). It has become apparent that storms of much higher return rates are a major cause of scour and erosion. Our project will minimize the effects of these storms.

2. Run-Off Peak Attenuation Design Storms:

Two permanent detention basins will provide storm water attenuation after construction. In addition to the previously mentioned nuisance storms, they will also control larger storm events (2,5,10, 25, 50 and 100-year storms). The flow rates leaving the site will be 50 % less than the existing conditions. As the reduced flows follow their natural drainage patterns off-site, velocities will be decreased, thus reducing the impact of scouring and erosion on receiving streams.

3. Permanent Vegetative Stabilization:

Landscaping will be provided for the entire site. Trees will absorb more rainwater than a grass lawn and do not require fertilizer. In addition, the tree canopies will provide a rainfall interceptor that will lessen surface run-off.

In addition, permanent seeding shall be provided to ensure stabilization after construction and recommended maintenance procedures are provided in section 4 of this narrative.



Finally, buffer areas between the edge of the sidewalk and street right-of-ways are proposed to act as filter strips. These will reduce concentration of suspended soils in run-off before it is discharged to the bio-retention area.

4. Individual Lot Owner Awareness:

All lot owners within this subdivision will be required to join a Homeowners Association. The Homeowners Association will be charged with maintaining all common areas which include the storm water detention basins. The Association will also be required to maintain all landscaping which includes street trees and landscaping installed around each group of townhomes. While those BMP's as listed previously will be effective in preventing scour and erosion, this Post Construction Storm Water Management Plan will also include education and awareness training of all homeowners within the Development. To accomplish this, each buyer will be provided with the following recommendations from the Maryland Storm Water Management Program.

- a. Limit the amount of impervious surfaces in your landscape. Use permeable paving surfaces such as wood decks, bricks and concrete lattice to allow water to soak into the ground. Where possible, direct run-off from impervious surfaces across vegetated areas.
- b. Allow thick vegetation or "buffer strips" to grow alongside waterways to filter and slow runoff and soak up pollutants.
- c. Plant trees and shrubs and ground cover. They will absorb more rainwater than a grass lawn and they don't require fertilizer.
- d. Use natural alternatives to chemical fertilizers and pesticides. If you must use fertilizers or pesticides, test your soil to determine the appropriate amount.
- e. If a lawn care company services your lawn, make certain it is not applying "blanket" applications of fertilizer and pesticides. Ask if they have conducted soil tests and a pest analysis to determine appropriate applications.
- f. Re-sod or re-seed bare patches in your lawn as soon as possible to avoid erosion.

5. Operation and Maintenance: (Ref: PA BMP Manual)

- a. Bioretention Pond (2A)
Monthly inspections are recommended until the plants are established. Annual inspections should then be adequate. Accumulated sediment should be removed when it reaches the outlet structure orifice.
- b. Wet Pond (2B)
Areas of concern include excessive weed growth, maintaining adequate vegetative cover, sedimentation, bank erosion, insect control, outlet stoppages, algal growth, embankment failures, and seepage. An active program of preventative maintenance is required to ensure that the facility remains



operational and safe at all times. The following items should be part of preventative maintenance procedures:

- Grass maintenance
- Control of noxious weeds and invasive plants

Maintaining turf grass on the tops of the berms and on the exterior slopes of embankment is advisable. This will enhance access to the facility and make maintenance and inspection of the embankment condition much easier. The stability of dams, embankments, and side sloped can be impaired by trees and brush with extensive woody root systems. Any seedlings or plantings should be removed at the earliest opportunity and the disturbed areas properly stabilized. Control of woody vegetation will require periodic mowing and a policy of not allowing plantings on these facilities. The frequency of mowing may need to be greater if the facility is in an area of high visibility. However, if possible, the facility should be managed as an upland meadow with grass no shorter than 6 to 8 inches. Keeping grass much shorter than this can cause areas of the turf to die off or require a much higher level of maintenance. Trees and brush with extensive woody root systems shall be completely removed from embankments to prevent the embankments from destabilizing and seepage routes from being created. Roots also should be completely removed to prevent them from decomposing in the embankment. Root voids and burrows should be plugged by filling them with material similar to the surrounding materials, and capped just below grade with stone, concrete, or other material. If plugging the burrows does not discourage the animals from returning, further measures should be taken to either remove the animal population or to make critical areas of the facility unattractive to them.

- Maintenance of wetland vegetation

A program of monitoring the aquatic environment of a permanent pond should be established. Although the complex environment of a healthy aquatic ecosystem will require little maintenance, water quality, aeration, vegetative growth, and animal populations should be monitored regularly. The timely correction of an imbalance in the ecosystem can prevent more serious problems from occurring. Because the ecosystem of a pond is complex, the recommendation is that agencies such as the U.S. Fish and Wildlife Service be consulted for corrective maintenance procedures.

- Removal and disposal of trash and debris
- Removal and disposal of sediment

Sediment is removed once every 5 to 15 years or when water depth has been reduced by 1 foot. The wet pond has a drain so that the pond can be completely emptied for maintenance, repairs, and sediment removal. The operator shall remove from the site, recycle or dispose of all building materials and waste in accordance with the departments solid waste management regulations at 25 PA code 260.1 et seg., 271.1 et seg. The contractor shall not bury, dump, or discharge any building material or waste at the site.

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- Elimination of mosquito-breeding habitats

The most effective mosquito control program is one that eliminates potential breeding habitats. Almost any stagnant pool of water can be attractive to mosquitoes and the source of a large mosquito population. To minimize the potential stagnation, wet ponds should be situated where they will receive base flow during dry periods. A fountain or recirculation system is recommended. Ponded water in open cans and bottles are ideal locations for mosquitoes to breed. Through fish stocking practices, a balanced "micro-habitat" can be fostered in which natural mosquito predators help maintain mosquito populations in check. As required, the pond can be drained periodically to suppress mosquito breeding.

- Maintenance pond
- Inspection of pond and reporting of results

The facility should be inspected quarterly and after major storms. Detailed inspections by a qualified inspector should occur at least annually to ensure that the facility is operating as designed and to schedule maintenance that the facility may require. If possible, inspections should be made during wet weather to ensure that the facility is maintaining desirable retention times. In addition to regularly scheduled inspections, deficiencies should be noted during any visits by maintenance personnel. An important purpose of inspections is to ascertain the operational condition and safety of the facility, particularly the condition of embankments, outlet structures, and other safety-related aspect.

Recommended Minimum Inspection Requirements

- Dam settling, woody growth, and signs of piping
- Signs of seepage on the downstream face of the embankment
- Condition of grass cover on the embankment, pond floor, and perimeter of the pond
- Rip rap displacement or failure
- Principal and emergency spillway meet design plans for operation
- Outlet controls, debris racks, and mechanical and electrical equipment
- Outlet channel conditions
- Safety features of the facility
- Access for maintenance equipment

c. Dry Pond (1).

General objectives of maintenance are to prevent clogging of the outlets, prevent standing water, and prevent the growth of weeds and noxious plants. The following items should be part of preventative maintenance procedures:

- Grass maintenance (See Wet Pond)
- Control of noxious weeds and invasive plants (See Wet Pond)
- Removal and disposal of trash and debris (See Wet Pond)
- Removal and disposal of sediment



Extended detention dry ponds should have enough volume to account for sediment accumulation over time. Cleaning out sediment will be necessary, on average, every 2 to 10 years. Cleaning involves digging out the accumulated sediment, mud, sand, and debris with earth-moving equipment and disposing appropriately. Once the sediment is removed, the disturbed areas need to be immediately stabilized and revegetated, or the facility will mobilize sediment to downstream areas. Freshly seeded areas should be protected with erosion mat that has been securely staked in place to prevent flotation. In many cases, sodding offers the best approach to stabilization after sediment removal.

- Maintenance pond (See Wet Pond)
- Inspection of pond and reporting of results (See Wet Pond)

d. Buffer Areas:

Buffer areas are to be mowed on a regular basis. The frequency of mowing may need to be greater if the facility is in an area of high visibility. However, if possible, the facility should be managed as an upland meadow with grass no shorter than 6 to 8 inches. Keeping grass much shorter than this can cause areas of the turf to die off or require a much higher level of maintenance.

e. Responsibility:

The Home Owners Association shall be responsible for the ongoing maintenance of all Post Construction Stormwater Management Facilities. This does not include storm sewer pipe located within public streets.

To conclude, the B.M.P.'s provided in the planning and design of this project will maintain water quality and will actually lessen scour and erosion in receiving waterways in the post construction portion of this project.



Legal Description

VERANDA Phase 2

East Hempfield Township, Lancaster County

All that certain tract or parcel of land situated in East Hempfield Township, Lancaster County, Pennsylvania, lying on the southerly side of Old Harrisburg Pike approximately 1,000 feet southeast of the intersection of Sylvan Road and Old Harrisburg Pike (S.R. 4020), being more particularly described as follows:

BEGINNING on the eastern line of Sylvan Crossing at the southern line of Phase One of Veranda (P.B. J-219, Pg. 98) located North 44 degrees 56 minutes 40 seconds East along the eastern line of Sylvan Crossing a distance of 344.17 feet from a concrete monument on the southern right of way line of Moorgate Road; Thence along the southern line of Phase One of Veranda and through the lands now or formerly of Hempfield Valley Partnership (Doc. Id. 5271403) the following fifteen (15) courses and distance:

1. South 45 degrees 03 minutes 20 seconds East a distance of 135.00 feet,
2. South 44 degrees 22 minutes 40 seconds East a distance of 50.00 feet,
3. North 44 degrees 56 minutes 40 seconds East a distance of 36.53 feet,
4. South 45 degrees 03 minutes 20 seconds East a distance of 120.47 feet,
5. North 41 degrees 14 minutes 50 seconds East a distance of 20.81 feet,
6. South 36 degrees 23 minutes 20 seconds East a distance of 114.00 feet,
7. South 37 degrees 36 minutes 05 seconds East a distance of 50.00 feet,
8. South 36 degrees 15 minutes 40 seconds East a distance of 91.00 feet,
9. South 38 degrees 28 minutes 50 seconds East a distance of 16.00 feet,
10. by a curve to the left having a radius of 386.20 feet an arc length of 217.43 feet, (a chord bearing South 36 degrees 53 minutes 20 seconds West a distance of 214.57 feet),
11. South 23 degrees 21 minutes 45 seconds West a distance of 107.18 feet,
12. South 20 degree 54 minutes 05 seconds West a distance of 50.03 feet,
13. by a curve to the right having a radius of 875.00 feet an arc length of 28.55 feet, (a chord bearing North 66 degrees 18 minutes 05 seconds West a distance of 28.56 feet),
14. South 24 degrees 38 minutes 00 seconds West a distance of 100.53 feet,
15. South 64 degrees 00 minutes 50 seconds East a distance of 32.61 feet to an iron pin (#4 Rebar) at the corner of lands now or formerly of Joseph F. and Dianne M. Roda (D.B. B-89, Pg. 697);

Thence along the same South 53 degrees 44 minutes 50 seconds West a distance of 302.86 feet; thence again through the lands of Hempfield Valley Partnership the following twelve (12) courses and distance:

1. North 34 degrees 40 minutes 30 seconds West a distance of 20.28 feet,
2. North 34 degrees 55 minutes 40 seconds West a distance of 95.00 feet,
3. North 36 degrees 07 minutes 25 seconds West a distance of 50.00 feet,
4. South 56 degrees 03 minutes 35 seconds West a distance of 28.08 feet,
5. North 38 degrees 01 minutes 15 seconds West a distance of 100.43 feet,
6. North 54 degrees 01 minutes 15 seconds East a distance of 33.87 feet,
7. North 45 degrees 50 minutes 40 seconds West a distance of 118.73 feet,
8. North 48 degrees 05 minutes 50 seconds West a distance of 100.00 feet,
9. North 42 degrees 13 minutes 25 seconds East a distance of 32.19 feet,

Exhibit "G" Page 2 of 3

10. North 46 degrees 47 minutes 30 seconds West a distance of 50.00 feet,
11. North 47 degrees 26 minutes 40 seconds West a distance of 100.00 feet,
12. North 46 degrees 32 minutes 45 seconds West a distance of 22.29 feet to the eastern line of
Sylvan Crossing;

Thence along the eastern line of Sylvan Crossing North 44 degrees 56 minutes 40 seconds East a distance of 668.59 feet to the point of beginning.

CONTAINING: 10.52 Acres.

Legal Description

VERANDA Phase 3

East Hempfield Township, Lancaster County

All that certain tract or parcel of land situated in East Hempfield Township, Lancaster County, Pennsylvania, lying on the southerly side of Old Harrisburg Pike approximately 1,000 feet southeast of the intersection of Sylvan Road and Old Harrisburg Pike (S.R. 4020), being more particularly described as follows:

BEGINNING on the western line of lands now or formerly of DR Horton Inc., NJ (Doc Id. 5196111) at the southern line of Phase One of Veranda (P.B. J-219, Pg. 98) located North 68 degrees 15 minutes 40 seconds West a distance of 162.73 feet, and South 30 degrees 48 minutes 05 seconds West a distance of 683.98 feet from a stone at the southeast corner of lands now or formerly of Forry Harford and Elsie Louise Getz (D.B. E-67, Pg. 387); Thence along the western line of DR Horton Inc., NJ South 30 degrees 48 minutes 05 seconds West a distance of 594.53 feet to an iron pin (#4 Rebar) at the corner of land of Joseph F. and Dianne M. Roda (D.B. B-89, Pg. 697); thence along the same, North 65 degrees 35 minutes 15 seconds West a distance of 751.04 feet to an iron pin (#4 Rebar); thence along the line of Phases One and Two of Veranda and through the lands now or formerly of Hempfield Valley Partnership (Doc. Id. 5271403) the following fourteen (14) courses and distance:

1. North 64 degrees 00 minutes 50 seconds West a distance 32.61 feet,
2. North 24 degrees 38 minutes 00 seconds East a distance 100.53 feet,
3. by a curve to the left having a radius of 875.00 feet an arc length of 28.55 feet, (a chord bearing South 66 degrees 18 minutes 05 seconds East a distance of 28.56 feet),
4. North 20 degrees 54 minutes 05 seconds East a distance 50.03 feet,
5. North 23 degrees 21 minutes 45 seconds East a distance 107.18 feet,
6. by a curve to the right having a radius of 368.20 feet an arc length of 217.43 feet, (a chord bearing North 36 degrees 53 minutes 20 seconds East a distance of 214.57 feet),
7. by a curve to the right having a radius of 368.00 feet an arc length of 285.43 feet, (a chord bearing North 76 degrees 03 minutes 20 seconds East a distance of 287.33 feet),
8. South 77 degrees 51 minutes 40 seconds East a distance 49.67 feet,
9. by a curve to the right having a radius of 868.00 feet an arc length of 268.01 feet, (a chord bearing South 65 degrees 22 minutes 45 seconds East a distance of 266.95 feet),
10. South 56 degrees 32 minutes 00 seconds East a distance 72.92 feet,
11. South 33 degrees 28 minutes 00 seconds West a distance 22.09 feet,
12. South 56 degrees 53 minutes 00 seconds East a distance 50.00 feet,
13. South 56 degrees 32 minutes 00 seconds East a distance 100.00 feet,
14. South 59 degrees 11 minutes 55 seconds East a distance 29.26 feet to the point of beginning.

CONTAINING: 11.16 Acres.

Exhibit "H"

CERTIFICATION

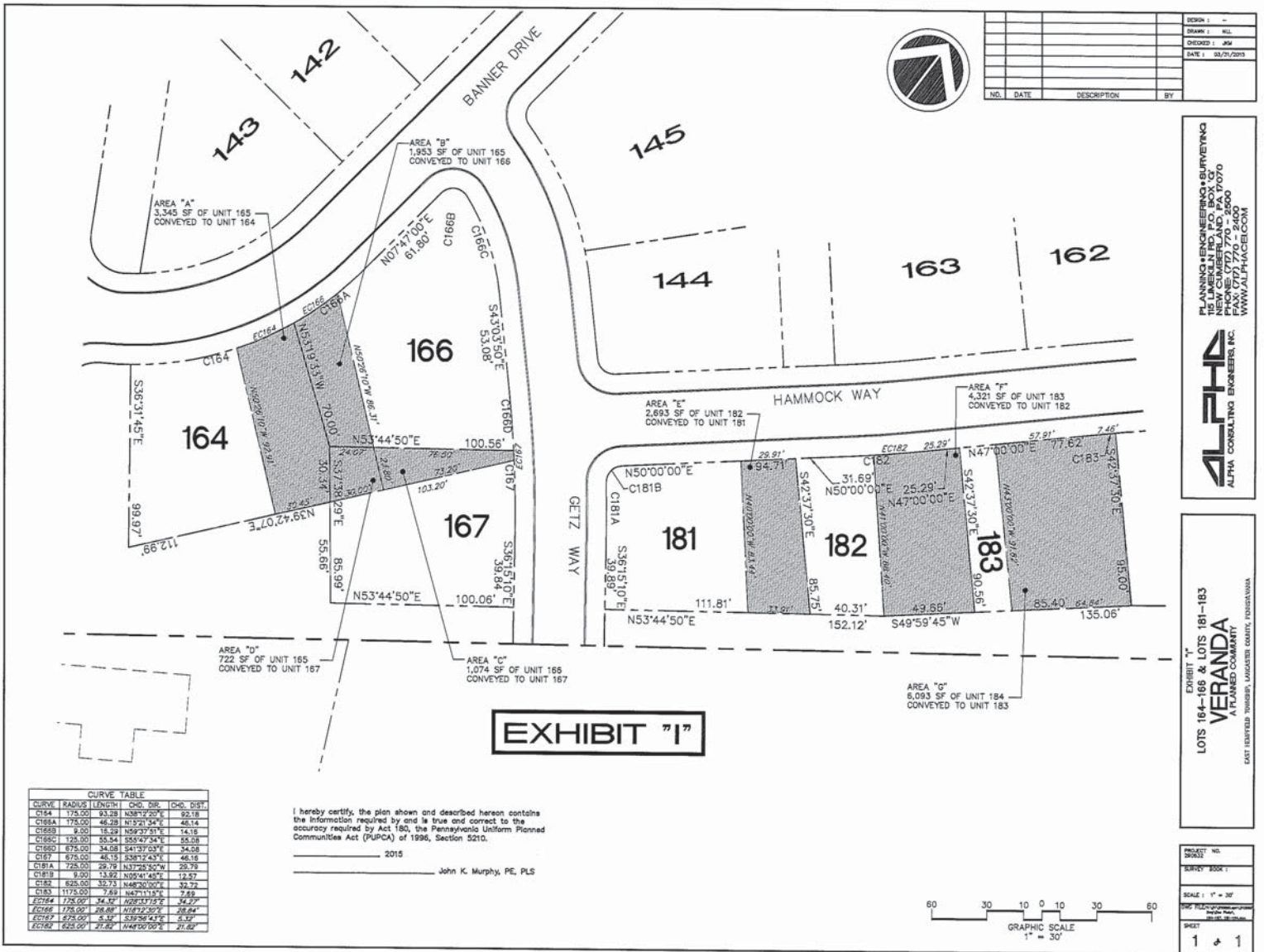
I, Mark E. Allen, hereby certify that:

1. I am an independent Pennsylvania registered professional engineer.
2. I am aware of the requirements of ' 5210 of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. ' 5101, *et seq.* (the "Act"), relating to the contents of plats and/or plans.
3. *The Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield, Lancaster County, Pennsylvania* (the "Declaration"), together with the Subdivision Plans (as such term is defined in Section 1.48 of the Declaration, including recording information), contain all information required by § 5210 of the Act.

Dated this 12th day of June, 2008.

Mark E. Allen





BYLAWS
OF
VERANDA NEIGHBORHOOD ASSOCIATION, INC.

PREAMBLE

Whereas, this corporation (hereinafter sometimes referred to as the "Association") has been formed for the purposes set forth in that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Veranda, a Planned Community in East Hempfield Township, Lancaster County, Pennsylvania* as the same may be duly amended from time to time (herein referred to as the "Declaration") of record in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania as Instrument Number 5333109, the actions of this corporation shall at all times be consistent with and constrained by the Declaration and all of the documents referred to therein and this corporation shall be governed in accordance with the Bylaws set forth in this document, as the same may be duly amended from time to time.

ARTICLE I
NAME AND LOCATION

- 1.1 Name and Organization. The name of the corporation is VERANDA NEIGHBORHOOD ASSOCIATION, INC. (herein referred to as the "Association") and is organized and existing as a nonprofit corporation under the laws of the Commonwealth of Pennsylvania.
- 1.2 Principal Office. The initial principal office of the corporation shall be located at 114 Foxshire Drive, Lancaster, Pennsylvania 17601. The Association may have such other offices, and meetings of Members and the Executive Board may be held at such places within the State of Pennsylvania as maybe designated by the Executive Board.

ARTICLE II
DEFINITIONS

- 2.1 The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning, unless the context clearly indicated otherwise, as set forth in the Declaration.

ARTICLE III
MEETINGS OF MEMBERS

- 3.1 Annual Meetings. A meeting of the Members of the Association shall be held at least once each year at the principal office of the Association or at such other suitable location within the Commonwealth of Pennsylvania as shall be designated by the Executive Board. The regular annual meeting of the Members shall be held on the fourth Tuesday of October at 7:00 p.m., unless an alternate date and/or time is designated by the Executive Board. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the 7:00 p.m. on the first day following which is not a legal holiday, or on such alternate date and/or time as may be designated by the Executive Board.
- 3.2 Special Meetings. Special meetings of the Members may be called at any time by the President, by the Executive Board, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership. Special Meetings of the Members of the Association shall be held within sixty (60) days after the request therefor at the principal office of the Association or at such other suitable location within the Commonwealth of Pennsylvania on such date and at such time as shall be designated by the Executive Board.
- 3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by either e-mail, hand delivery or first class, postage prepaid mailing such notice at least 10 days but not more than 60 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify (i) the place, day and hour of the meeting, and (ii) the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget or assessment changes, and any proposal to remove a Member of the Executive Board or an officer.

The notice of any Special Meeting shall state the purpose or purposes of such meeting and no business shall be transacted at such Special Meeting except as stated in the notice thereof.

- 3.4 Waiver of Notice. Waiver of notice of a meeting of the Members shall be the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, before, at, or after such meeting. Attendance at a meeting by a member shall be deemed a waiver by such Member of notice of the date, time and place thereof, and at any Special Meeting, of all business

transacted, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order or upon arrival, whichever shall last occur.

- 3.5 Quorum. Except as otherwise specified in the Declaration for certain actions, the presence at the beginning of the meeting of Members entitled to cast, and/or of proxies entitled to cast, twenty percent (20%) of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the Act, the Articles of Incorporation of the Association, the Declaration, or these Bylaws.

If the required quorum is not present or represented, the chairperson of the meeting may adjourn the meeting to another place, date and/or time not later than thirty (30) days following the adjourned meeting, subject to the same notice requirement and to the additional requirement that the notice shall state that, and the required quorum at such subsequent meeting shall be, one-half (1/2) of the required quorum at the adjourned meeting.

Except for adjournment for lack of quorum, when a meeting is adjourned or continued to another place, date or time, written notice need not be given of the adjourned or continued meeting if the place, date and time thereof are announced at the meeting at which the adjournment or continuance is taken provided, however, that if the date of any adjourned or continued meeting is more than thirty days after the date of the preceding meeting, written notice of the place, date and time of the adjourned or continued meeting shall be given in conformity with the notice provisions of these Bylaws. At any adjourned or continued meeting, any business may be transacted which might have been transacted at the original meeting.

Notwithstanding the withdrawal of Members leaving less than a quorum in attendance the Members present at a duly called or held meeting at which a quorum was present may continue to conduct business until adjournment, but may not continue the meeting to another date, time or place, provided that any action taken which requires a vote of the Members shall be approved by at least a majority of the votes required to constitute a quorum.

- 3.6 Organization. Such person as the Executive Board may have designated or, in the absence of such a designation or the person designated, the chief executive officer of the Association or, in his absence, such person as may be chosen by a majority vote of the members present, in person or by proxy, shall call to order any meeting of the Members and act as chairperson of the meeting. In the absence of the Secretary of the Association, the secretary of the meeting shall be such person as the chairperson appoints.

3.7 Conduct of Business. The chairperson of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him/her in order.

3.8 Proxies and Voting. At any meeting of the Members, every Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association or with the property management company. All proxies must be delivered in advance of the meeting to which they apply via one of the following methods: regular mail, e-mail, fax or hand delivery by the voting Member, prior to the established deadline to ensure certified inclusion in the election results. Every proxy shall be revocable only by giving actual notice of revocation to the person presiding over a meeting, and shall automatically cease upon termination of membership in the Association by conveyance of the Unit subject to the Declaration. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.

All voting, including the election of Members of the Executive Board, but excepting where otherwise required by law, may be a voice vote; provided, however, that upon demand therefor by a Member entitled to vote or by his or her proxy, a ballot vote shall be taken. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairperson of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast.

3.9 Consent of Members in Lieu of Meeting. Any action required to be taken at any annual or special meeting of Members of the Association, or any action which may be taken at any annual or special meeting of the Members, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the number of Members that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted.

ARTICLE IV EXECUTIVE BOARD

4.1 Composition. The affairs of the Association shall be governed and conducted by an Executive Board, each member of which shall have one equal vote. Members of the Executive Board must be Members of the Association or must

reside in the Community. In the case of a Member which is not a natural person, such Member shall designate, in writing, the officer, director, partner, attorney-in-fact or trust officer, which such designation may be changed by the Member, in writing, from time to time, the name of the natural person who shall represent the Member.

- 4.2 Number and Term of Office. The Executive Board shall be comprised of Directors. The number of Directors who shall constitute the whole Executive Board shall be such number as the Executive Board shall at the time have designated, except that in the absence of any such designation, such number shall be three (3). From and after the termination of the Development Period, no fewer than such number of Directors as shall comprise a majority of the number of Directors comprising the whole Executive Board shall be Owners of Units.

The authorized number of Directors may only be increased by the election of new Directors at an annual meeting of the Members. Any decrease in the authorized number of Directors shall not become effective until the expiration of the term of the Directors then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

- 4.3 Election. Except as provided by Section 4.6.2 of the Declaration, each member of the Executive Board shall be elected by the Members of the Association. Each Director shall be elected for a term of one year, shall take office upon election, and shall serve until his or her successor is elected, except as otherwise provided in the Governing Documents or required by law.
- 4.4 Vacancies. If the office of any Director becomes vacant by reason of death, resignation, disqualification, removal or other cause, except as otherwise provided in the Governing Documents or required by law, a majority of the Directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his successor is elected and qualified.
- 4.5 Resignation and Removal. Any Director may resign at any time by giving written notice to the Executive Board. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Executive Board, and the acceptance of such resignation shall not be necessary to make it effective. A Director may be removed from office at any time, with or without cause, by a resolution adopted by a majority of all the Members of the Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Executive Board and shall serve for the unexpired term of his predecessor.

4.6 Compensation of Directors. Directors shall not receive any compensation for their services as Directors, including, without limitation, their services as members of committees of the Directors. Directors may, however, be reimbursed by the Association for their reasonable expenses incurred in the performance of their duties as such Directors. Except for willful and malicious acts by Directors, constituting felonies or misdemeanors, all Directors shall be indemnified for all acts done or performed in the furtherance of their duties.

4.7 Meetings of the Executive Board. Meetings of the Executive Board shall be held, after not less than ten (10) days' notice to each Director by whom it is not waived of the place, date and time of each such meeting, from time to time as no less than a majority of the number of Directors shall determine.

Notice shall be any means of communication including without limitation verbal, facsimile transmission, e-mail or hand delivery of written notice or by mailing written notice. The receipt of any notice other than provided by the mailing of a written notice shall be acknowledged in writing or be waived in writing. Notwithstanding the foregoing, attendance at a meeting (except for the limited purpose of objecting to the lack of notice) shall constitute waiver of notice. Any notice by mail shall be deemed delivered two (2) days after deposit, postage prepaid, with the United States Postal Service.

A majority of the number of Directors shall constitute a quorum for the transaction of business by the Executive Board. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

4.8 Regular Meetings. Provided that such regular meetings of the Executive Board are held pursuant to a schedule established by the Board, the receipt of which such schedule is acknowledged by each Director no later than the start of business at the first of such regular scheduled meetings, the Executive Board may hold regular meetings at such place or places, on such date or dates, and at such time or times as shall have been established by the Executive Board without the requirement for any further notice of such regular meetings.

4.9 Participation in Meetings by Conference Telephone. Members of the Executive Board or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by the means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

- 4.10 Conduct of Business. At any meeting of the Executive Board, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the Members of the Executive Board present, except as otherwise provided herein or required by law.

Any action required to be, or which may be, taken by the Executive Board whether at a meeting or otherwise, may be taken without a meeting, with 24 hour prior notice by e-mail or oral communication and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the number of members of the Executive Board that would be necessary to authorize or take such action at a meeting at which all members of the Executive Board entitled to vote thereon were present and voted, and the writing or writings are filed with the minutes of proceedings of the Executive Board.

- 4.11 Lot Owners Attendance at Meetings. Except for the meeting to adopt the budget of the Association, Lot Owners shall have no right to attend meetings of the Executive Board, but the Executive Board may, in its discretion, allow Lot Owners to attend. All Lot Owners shall have the right to attend and be heard, but not the right to vote, at the meeting of the Executive Board at which the budget of the Association is considered for adoption.

ARTICLE V COMMITTEES

- 5.1 Committees of the Executive Board. The Executive Board, by a vote of a majority of the whole Board, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board, and may, for those committees and any other provided for herein, elect a Director or Directors to serve as the member or members, designating, if it desire, other Directors as alternative members who may replace any absent or disqualified member at any meeting of the committee. Unless otherwise provided by the Executive Board in designating the committee or electing its members, in the absence or disqualification of any member of any committee and any alternate member in his place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not constituting a quorum, may by unanimous vote appoint another member of the Executive Board to act at the meeting in the place of the absent or disqualified member.

- 5.2 Conduct of Business. Except as otherwise provided herein or required by law and except as may be otherwise provided by the Executive Board in designating the committee, each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith. Adequate provision shall be made for notice to committee members of all meetings, one-third of the committee members shall constitute a quorum unless the committee shall consist of one or two members, in which event one committee member shall constitute a quorum; and all matters shall be determined by a majority vote of the committee members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of the proceeding of such committee.

ARTICLE VI

POWERS AND DUTIES OF THE EXECUTIVE BOARD

- 6.1 Powers of the Executive Board. The Executive Board shall have the powers to do all other things necessary or appropriate to carry out the duties and obligations imposed upon it by the Governing Documents or otherwise by law and such powers shall include, but shall not be limited to:
- 6.1.1 perform all of the duties and obligations imposed upon the Association by the Governing Documents or otherwise by law, including management of the Common Elements including the Storm Water Facilities, and the real and personal properties of the Association as set forth in the Governing Documents;
 - 6.1.2 exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of the Act, these Bylaws, the Articles of Incorporation, or the Declaration;
 - 6.1.3 establish rules and regulations for the use, operation, maintenance and preservation of the Common Elements;
 - 6.1.4 establish such bank depository accounts as may be necessary, including the establishment of separate escrow accounts where required, and provide for the full and complete accounting of all sums coming into the possession of the Association.
- 6.2 Duties of the Executive Board. It shall be the duty of the Executive Board to:

- 6.2.1 maintain, repair and replace as and when in the sole judgment of the Executive Board required, any and all Common Elements including the Storm Water Facilities in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal regulations, ordinances and laws and retains the functional condition thereof;
- 6.2.2 annually adopt a budget for the Association, which budget shall provide for the estimated expenses for the performance of the duties, rights and obligations of the Association as set forth in the Governing Documents, and for the operation, maintenance, repair and replacement of the Common Elements, including such reserves as the Executive Board shall deem appropriate;
- 6.2.3 collect annual and special assessments to provide the monies necessary to implement the budget;
- 6.2.4 maintain, prepare and provide financial records, statements and reports in accordance with §5316 of the Act.
- 6.2.5 cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- 6.2.6 maintain policies of insurance as required or authorized by Section 4.4 of the Declaration and any other insurance deemed appropriate by the Executive Board to protect the Association, the Directors and the Members, including directors' liability and indemnity insurance, to the extent reasonably obtainable, for errors and omissions;
- 6.2.7 elect officers of the Association, including a President, Vice President, Secretary and Treasurer who shall perform those duties prescribed under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, and provide for the delegation of management authority to the extent the Executive Board, in its discretion, deems appropriate, remove any officer of the Association with or without cause, and from time to time to devolve the powers and duties of any officer upon any other person for the time being, and confer upon any officer of the Association the power to appoint, remove and suspend subordinate officers and agents;

- 6.2.8 employ such persons and entities and enter into such contracts for services, including but not limited to property management, legal counsel, accountants, consultants, and contractors as may be necessary or desirable to perform the duties and rights imposed by the Governing Documents.
 - 6.2.9 institute all actions at law or in equity before courts of record or not of record as may be necessary or convenient to preserve and protect the Association and its property, including the enforcement of payment of all assessments, but not limited thereto. All such actions shall be brought and pursued in the name of the Association and all recoveries shall be for its benefit.
- 6.3 Delegation of Powers. The Executive Board may delegate, to any officer, or to such persons or agencies which provide property management services, the power to:
- 6.3.1 collect annual and special assessments;
 - 6.3.2 maintain, prepare and provide financial records, statements and reports in accordance with §5316 of the Act;
 - 6.3.3 keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members;
 - 6.3.4 employ such persons and entities and enter into such contracts for services, including but not limited to legal counsel, accountants, consultants, and contractors as may be necessary to perform the duties and rights imposed upon the Executive Board;
 - 6.3.5 provide Estoppel Certificates in accordance with Section 5.2 of the Declaration.

ARTICLE VII

OFFICERS AND THEIR DUTIES

- 7.1 Generally. The officers of the Association, each of whom to be qualified to hold office shall be an adult natural person, shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as are elected by a majority vote of the Directors at a duly noticed meeting of the Executive Board at which a quorum shall be present. Unless for the purpose of filling a vacancy in an office, the election of officers shall be conducted at the

first meeting of the Executive Board after every annual meeting of Members. Each officer shall take office upon election and hold his/her office until his/her successor is elected and qualified or until his/her earlier resignation or removal. The President shall be a member of the Executive Board. Any number of offices may be held by the same person.

- 7.2 President. The President shall be the chief executive officer of the Association. Subject to the provisions of these Bylaws and to the direction of the Executive Board, s/he shall have the responsibility for the general management and control of the business and affairs of the Association and shall perform all duties and have all powers which are commonly incident to the office of chief executive or which are delegated by the Executive Board. S/He shall have power to execute all contracts, agreements and other instruments of the Association which are authorized. S/He shall have general supervision and direction of all of the other officers and agents of the Association. S/He shall be ex-officio a member of all committees and shall exercise such other general powers and duties as are usually vested in the chief executive officer of a corporation.
- 7.3 Vice President. Each Vice President shall have such powers and duties as may be delegated to him/her by the Executive Board. One Vice President shall be designated by the Board to perform the duties and exercise the powers of the President in the event of the President's absence or disability.
- 7.4 Secretary. The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the Members and the Executive Board. S/he shall have charge of the corporate records and shall perform such other duties as the Executive Board may from time to time prescribe.
- 7.5 Treasurer. The Treasurer shall have the responsibility for maintaining the financial records of the Association and shall have custody of all monies and securities of the Association. The Treasurer shall make such disbursements of the funds of the Association as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Association. The Treasurer shall also perform such duties as the Executive Board may from time to time prescribe.
- 7.6 Delegation of Authority. The Executive Board may from time to time delegate the power or duties of any officer to any other officers or agents.
- 7.7 Execution of Amendments. Amendments to the Declaration required or permitted by the Act to be recorded by, or on behalf of, the Association shall be prepared by or on behalf of the President of the Association, shall be executed by the president of the Association, recorded by or on behalf of the President of

the Association, and certified by or on behalf of the Secretary of the Association.

- 7.8 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Executive Board, the President shall have power to vote and otherwise act on behalf of the Association, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any corporation in which this Association may hold securities and otherwise to exercise any and all rights and powers which this Association may possess by reason of its ownership of securities in such other corporations.
- 7.9 Bonding. The Executive Board may secure the fidelity of the Treasurer, or of any other officer, by a bond in such sum, and with such surety or sureties, as the Executive Board may determine.
- 7.10 Resignation and Removal. Any officer may be removed from office with or without cause by the Executive Board. Any officer may resign at any time giving written notice to the Executive Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VIII MISCELLANEOUS

- 8.1 Maintenance of Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.
- 8.2 Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any member, Director, officer or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage prepaid, or by sending such notice by prepaid delivery service or by e-mail. Any such notice shall be addressed to such member, Director, officer or agent at his or her last known address as shown on the books of the Association. The time when such notice is received, if hand delivered, or two (2) days after deposit with the United States Postal Service, if mailed, or actual day or receipt, as evidenced by if by delivery service or one (1) day dispatched, if delivered through the mails or by telegram or mailgram, shall be the time of the giving of the notice.

A written waiver of any notice, signed by a member, Director, officer, or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such member, Director, officer or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

- 8.3 Facsimile Signatures and E-Signatures. Facsimile signatures and E-Signatures of an officer or officers of the Association may be used whenever and as authorized by the Executive Board or a committee thereof.
- 8.4 Corporate Seal. The Executive Board may provide a suitable seal, containing the name of the Association. The Secretary shall be in charge of the seal. If and when so directed by the Executive Board or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by any Assistant Secretary or Assistant Treasurer.
- 8.5 Reliance Upon Books, Reports and Records. Each Director, each member of any committee designed by the Executive Board and each officer of the Association shall, in the performance of his or her duties, be fully protected in relying in good faith upon the accounts or other records of the Association, including reports made to the Association by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.
- 8.6 Fiscal Year. The fiscal year of the Association shall be as fixed by the Executive Board.
- 8.7 Time Periods. In applying any provision of these by-laws which requires that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of doing of the act shall be excluded and the day of the event shall be included.
- 8.8. Failure of Association to Insist Upon Strict Performance is No Waiver. The failure of the Association to insist in any instance upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents or to exercise any right or option therein contained, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, restriction option or right. The receipt of any payment of assessments from any Lot Owner with knowledge of the breach of any covenant of the Governing Documents shall not be deemed a waiver of such breach.

ARTICLE IX
AMENDMENTS

- 9.1 Amendment. These Bylaws may be amended by a vote of a majority of the Directors at a duly noticed meeting of the Executive Board at which a quorum shall be present or by a majority of the Members of the Association at any duly noticed meeting of the Members at which a quorum shall be present.
- 9.2 Amendments Affecting Declarant. Until the termination of the Development Period, these Bylaws may not be amended without the express written joinder of the Declarant in such amendment.

No provisions of these Bylaws pursuant to which any special Declarant rights have been reserved to a Declarant shall be amended at any time without the express written joinder of the Declarant in such amendment.

[Signatures on following page]

IN WITNESS WHEREOF, we, being all of the Directors of VERANDA
NEIGHBORHOOD ASSOCIATION, INC., have hereunto set our hands this
18 day of February, 2014.

VERANDA NEIGHBORHOOD ASSOCIATION,
INC.

By: 

Name: Adam T. Alois

By: 

Name: Lynda B. Schmid

By: 

Name: Douglas Goewey

Being all of the Directors

VERANDA NEIGHBORHOOD ASSOCIATION

Guidelines for Architectural Improvements

Updated 9/28/12

Homeowners may request Architectural Improvements by contacting the Management Company for a copy of the Architectural Request Form. The completed form accompanied by a written plan with dimensions must be presented to the Management Company who will then forward the request on to the Architectural Review/Landscape Review Committee. Committee will give their recommendations to the Executive Board of the Association (hereafter “the Association”) for approval. The Committee has 14 days to review the request and the Board meets once a month so please take that into account when submitting requests. Upon written approval by the Association, the owner may proceed. In addition, an architectural improvement may be subject to Township zoning and building codes. The purpose of these Guidelines is to assist the homeowner in the planning process.

Improvements requiring Association approval are governed by the “Veranda Neighborhood Association Declaration”. The Restrictive Covenants covering architectural improvements are as follows:

- Any external improvement requiring a Municipal Building Permit
- Any alteration, modification or change in or to any of the exterior components, fixtures, materials, colors, and/or appearance of any building, fence, wall or other structure or any portion thereof Including without limitation, any painting or staining thereof).
- Any addition to and/or demolition or removal of any building, fence, wall or other structure or any portion thereof.
- Construction or placement on the Lot of any swimming pool (No above ground swimming pools will be approved).
- Installation of lighting fixtures, illuminating devices or illumination sources, including but not limited to lamppost lights, anywhere on a Lot.
- Fencing, together with landscaping adjacent or in proximity thereto.
- No storage facilities are permitted without prior Board approval.

GUIDELINES – These are guidelines for architectural improvements. Approval by the Association must be obtained before proceeding unless guideline specifically waives pre-approval.

I. Structure Additions

A. Storm Doors

1. Storm doors shall be Exterior Full View storm doors in clear, beveled or etched glass in white vinyl or white aluminum trim. Pre-approval is waived for exterior full view storm doors.
2. Phantom Screen Doors are also permitted and pre-approval is waived.

B. Decks

1. Deck additions must be constructed of the exact material of the existing deck.
2. If the decks are in excess of 3ft height, the exposed underside may be covered. Guidelines for covering the underside are as follows:
 - a) Maintenance free materials are preferred. (PVC, or Treks TM type materials).
 - b) Pressure treated lattice or other pressure treated materials are prohibited.
 - c) Areas under deck must be covered with weed matting and stones or mulch.

II. Free Standing Structures

A. Pergolas, Trellises and Arbors. (Gazebos are not permitted)

1. Pergolas
 - a) Free standing Pergolas may be constructed in the rear yards.
 - b) Pergolas may be added to existing or planned decks or patios for Single Family and Town homes.
 - c) Pergolas must be painted white or white maintenance free material.
 - d) Structure cannot exceed 10ft. x 10ft. and 9ft in height. Dimensional restrictions will be based upon existing deck dimensions.
 - e) Irregular shapes are permitted.
2. Trellises/Arbors
 - a) Free standing Trellises/Arbors may be constructed at the rear yards.
 - (1) Trellis/Arbor may be constructed of wood, metal or PVC.
 - (2) Trellis/Arbor may be pre-manufactured.
 - b) Trellises for vegetation growth may be attached to dwelling structure. Trellises of this nature are permitted for Single Family Homes.
 - (1) If the dwelling has white siding, Trellis must be either metal or same color as exterior shutters to accentuate its architectural detail.
 - (2) Dwellings with other than white siding may have metal trellis or trellis painted white or the color of the shutters.
 - (3) Unpainted trellises are not permitted to be attached to dwelling.

III. Fences and Gates

A. The following are approved fence styles (See pages 7 – 8 or approved equal):

- Privacy Chesterfield w/ Victorian Accent - 6'h x 8' section (Rear Yard of Townhomes & Carriages Only)
 - Powder coat aluminum in black or bronze – 4'h x 8' section (in conjunction with pools only)
 - Manchester Scalloped – 4' h x 8' Section
 - Classic Manchester – 3' h x 8' Section
 - Princeton with mid-rail – 3' h x 8' Section
1. Front and side yard fences shall not exceed 36" (3ft) in height other than the Manchester Scalloped.
 2. Rear yard fences on single family lots must follow all stipulations below:
 - Fences that border the property line boundaries cannot exceed 36" (3ft) in height other than the Manchester Scalloped and must be one of the three approved styles, listed above.
 - Privacy fencing in backyards is permitted surrounding porches, patios, or other sitting areas adjacent to the home, with the following stipulations:
 1. Approved fencing, from BMW Fences, are: (See page 5 & 6)
 - Privacy with closed spindle top
 - Privacy with standard lattice topper
 2. White vinyl or white composite material
 3. No taller than 6 feet, and only 5 feet can be solid, closed fencing.
 4. No more than 32 linear feet of privacy fencing in total, per property
 5. No more than 3 sections of fencing may be placed in a row, whether attached or spaced, unless a change in direction is made
 3. Maintenance and appearance of fences will be the responsibility of the owner.
 4. Fences shall be constructed at least 6" in from the property lines. The exception shall be as follows:
 - a) Two neighbors agree to the construction of a fence on their joint property line.
 - b) Proof of agreement is required.
 - c) Both neighbors shall be responsible for all maintenance and repairs as per their agreement.

IV. Ponds

- A. Permissible pond size shall be determined based on the lot size and dimensions.
- B. Ponds cannot exceed 36" in depth.

V. Hardscaping

- A. Existing patios
 - 1. Homeowners may cover existing concrete patios with hardscape products.
 - 2. Products approved must be similar to existing materials of home.
- B. New patios
 - 1. Patio construction shall be in concrete, stamped concrete, manufactured hardscape products (e.g. E. P. Henry) and natural hardscape products (e.g. flagstone).
 - 2. Loose gravel patios are prohibited.
- C. Retaining Walls
 - 1. Walls less than or equal to 36 inches are permitted at the front of a property for cultivating flowering beds, etc. Depending on the circumstances, professional engineered plans may be required for approval.
 - 2. Walls shall not be constructed that interfere with the engineered storm water flows.
- D. Stone walls and retaining walls shall not be used for fencing.

VI. Exterior, Security and Landscaping lighting

- A. All lighting additions (including landscape lighting) need to be approved by the Association.
- B. Attached to dwelling:
 - 1. Exterior lighting fixtures attached to homes must be colonial style in black or antique bronze.
 - 2. Attached lighting includes but is not limited to lights on garage, entryways and/or porches and decks.

VII. Miscellaneous

- A. Shrubbery
 - 1. All Privets must be maintained with a maximum height of 54", and may not encroach onto or exceed across the edge of the sidewalk.
- B. Patio and Deck Awnings
 - 1. Awnings must be retractable and may be manual or automatic.
 - 2. No awnings are permitted on front of dwelling.
 - 3. Awnings must be color coordinated to home.
- C. Enclosing Decks
 - 1. No front or side porches or decks shall be enclosed.
 - 2. Decks in the rear of homes may be covered.
 - a) Screening is permitted if deck is covered.
 - b) Covered decks may have lighted ceiling fans. Approval for fans within covered decks is not required.
- D. Children's Play Structures (Swing Sets, Sand boxes, Play Houses and Play Equipment)
 - 1. All permanent Children's Play Structures require ARC review and Association Approval. Temporary play structures shall be stored inside when not in use.
 - 2. Children's Play Structures shall be located behind the house as inconspicuously as possible, at least ten feet from the rear and side property lines.
 - 3. Swing Sets shall be on level ground and not be constructed of entirely metal or plastic.
 - 4. Canvas or other material must compliment the dwelling.

E. Swings and Gliders

1. ARC review and Association approval is required for all swings and gliders regardless if they will be attached to the dwelling or free-standing. Rockers, chairs and other furniture on front porches are excluded from this required approval.
2. Free-standing swings and gliders are only permitted at the rear of a dwelling or on a front porch.
3. All swings and gliders shall be constructed of wood, metal or PVC.
4. Swings and gliders constructed of wood shall:
 - a) Be painted to correspond with the color of dwelling's shutters and front door. Paint shall be Glossy or Semi-gloss exterior paint. The exception to this requirement is the use of exotic woods (cedar, teak, etc). Exotic woods do not require paint or stain.
 - b) Paint to match a primary existing color on the dwelling.
 - c) Pressure treated wood structures are not permitted.

F. Satellite Dishes-- in accordance with FCC regulations

1. Dishes should be mounted on a post/poll, which does not exceed 5 feet.
2. It should be placed in an inconspicuous manner, close to the home, preferably in the side or rear yard.
3. All exposed surfaces and all wiring should be unnoticeable and well-maintained, in an effort to preserve the appearance of the neighborhood.

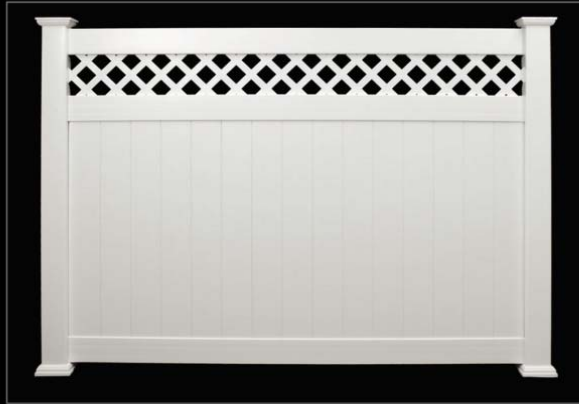
Homeowner Association
Board Approved Fencing Selections

Fences on page 5 & 6 are available at BMW Fences and Decks in Harrisburg. They can be reached at 717.558.7590 or www.bmwfence.com

Privacy with Closed Spindle Top
Heights: 5' & 6'
Width: 8'
Colors: Solid or Two-Tone



Privacy with Standard
Lattice Topper
Heights: 5' & 6'
Width: 8'
Colors: Solid or Two-Tone



Approved fencing below is available locally at Quality Construction Company, Wrightsville, PA 17368 (717) 252-5352. However, any vendor may be used as long as it is an approved fence style.

**Privacy Chesterfield with Victorian Accent – 6'x8' Section
(Townhome or Carriage Home Rear Yard Only)**



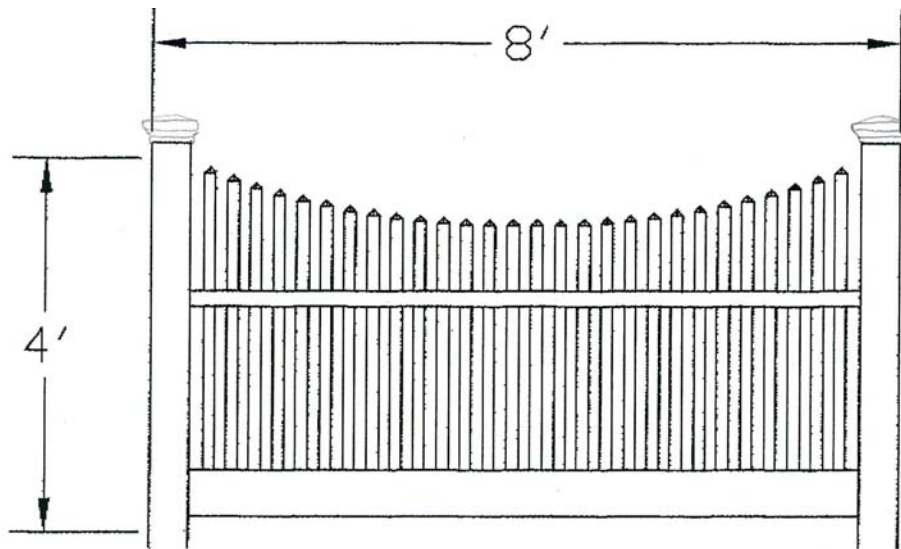
Princeton with Mid Rail – 3'x8' Section



Classic Manchester – 3'x8' Section



Manchester Scalloped – 4'x8' Section



Veranda Neighborhood Association- Common

\$61/month

 182 Units
 Final 10/14/2015

	2013 Actual	2014 Actual	2015 Budget	2015 9 Mo Act	2015 Proj Act	2016 Budget
INCOME						
Association Dues	126,447	126,015	133,285	98,488	131,316	136,335
Developer Dues	25,284	12,462	4,987	5,460	7,402	2,993
Late Charges	510	610	-	385	335	-
NSF Reimbursement	-	35	-	50	50	-
Total Income	152,241	139,122	138,272	104,383	139,103	139,328
EXPENSES						
Fixed Expenses						
Insurance	4,954	3,392	4,773	3,594	4,792	4,848
Total Fixed Expenses	4,954	3,392	4,773	3,594	4,792	4,848
Landscaping						
Sprinkler System	1,025	562	1,250	1,055	1,400	1,300
Pond Maintenance	5,125	3,940	3,500	2,940	2,940	2,940
General Landscaping	67,118	47,423	47,036	40,646	48,931	49,994
Special Projects	-	-	5,000	-	-	-
Snow Removal	10,902	13,307	15,000	13,901	16,000	16,000
Total Landscaping Expenses	84,170	65,232	71,786	58,542	69,271	70,234
General Maintenance						
General Maintenance	7,684	2,013	3,700	2,893	3,700	3,500
Total General Maintenance	7,684	2,013	3,700	2,893	3,700	3,500
Utilities						
Common Area Electric	12,272	11,333	12,500	9,323	11,700	12,000
Water	1,346	1,958	1,200	2,534	3,200	3,000
Total Utilities	13,618	13,291	13,700	11,857	14,900	15,000
General & Administration						
Management Fees	15,939	17,416	19,597	14,290	19,026	19,936
Accounting	500	500	600	500	500	500
Legal	1,342	1,059	2,000	255	400	1,500
Misc G&A	508	1,327	400	30	300	300
Postage	1,001	1,108	1,200	316	1,000	1,000
Office Supplies	46	-	-	-	-	-
Total General & Administrative	19,336	21,410	23,797	15,391	21,226	23,236
Total Operating Expenses	129,762	105,338	117,756	92,277	113,889	116,818
Capital Contributions	11,580	23,739	23,739	15,826	23,739	23,739
Total Expenditures	141,342	129,077	141,495	108,103	137,628	140,557
CASH FLOW	10,899	10,045	(3,223)	(3,720)	1,475	(1,229)

191 total units w/ amendment
 currently proj 181 at years end

Veranda Neighborhood Association- Towns & Carriages

58 Units

Final 10/14/2015

	2013 Actual	2014 Actual	2015 Budget	2015 9 Mo Act	2015 Proj Act	2016 Budget
INCOME						
Association Dues	77,989	70,944	73,008	52,578	70,500	74,152
Declarant Dues	-	1,223	945	1,418	1,890	368
Late Charges	6	-	-	325	325	0
Total Income	77,995	72,167	73,953	54,321	72,715	74,520
EXPENSES						
Landscaping						
Landscaping Replacement	-	4,609	-	-	-	-
General Landscaping	50,013	57,376	58,853	41,055	53,000	61,607
Snow Removal	6,237	10,165	15,000	13,372	15,500	14,000
Total Landscaping Expenses	56,250	72,150	73,853	54,427	68,500	75,607
General Maintenance						
General Maintenance/Misc.	30	176	100	-	-	100
Total General Maintenance	30	176	100	-	-	100
Total Operating Expenses	56,280	72,326	73,953	54,427	68,500	75,707
CASH FLOW	21,715	(159)	-	(106)	4,215	(1,187)

57 Units

**Projecting Build out of 60
by year's end**

[illegible]

NEW HOME PURCHASE AGREEMENT – READY NOW HOME

AGREEMENT DATE:

HOMEBUYER:

BUILDER: _____, a Pennsylvania corporation

**BUILDER HOMESITE
IDENTIFICATION**

PROPERTY Unit (Lot) _____, in _____ with an address of _____
together with a Home, built by the Builder as set forth in this Agreement and as set forth
on the **Selection Sheet** attached to this Agreement.

1. PURCHASE PRICE

The Homebuyer will pay the Purchase Price to the Builder as follows:

Deposit

Deposit to be credited to the Homebuyer at Closing

To be paid at Closing after application of Deposit credit

2. TIMELINE.

The Homebuyer hereby agrees and promises to do the following:

- deliver a confirmation to the Builder after making, in good faith and at the Homebuyer's expense, a completed, written **Mortgage Application** no later than (2 business days)
- attend the **Meet the Builder meeting** no later than (5 business days)
- if the phase of construction of the home is prior to Construction Tour, buyer must attend the **Construction Tour** scheduled by the Builder and complete the **Closing Information Amendment**, approximately 45 calendar days prior to Closing.
- if the phase of construction of the home is post Construction Tour, Homebuyer must complete the **Closing Information Amendment** no later than (5 business days)
- deliver a copy of a written **Mortgage Loan Commitment** to Builder no later than (15 business days)
- attend **New Home Orientation** scheduled by the Builder within 3 business days of Closing

3. NEW HOME ORIENTATION AND CLOSING.

The New Home Orientation (in accordance with Section 14 of this Agreement) and Closing (in accordance with Section 15) of the purchase of the above referenced Property will be on the dates and times indicated below, or on such other dates and times as agreed to in writing by Builder and Homebuyer (the "Closing Date"). In the event Homebuyer does not close on the Closing Date, for any reason whatsoever, Builder, in its sole discretion, may agree to extend the Closing Date (the "Extended Closing Date"). If Builder agrees to extend the Closing Date, Homebuyer shall pay to Builder \$250.00 per day, up to and including the Extended Closing Date, as a Closing extension fee (the "Closing Extension Fee"), for each day Homebuyer extends Closing beyond the original Closing Date. Unless Builder requires earlier payment of the Closing Extension Fee, the Closing Extension Fee shall be due to Builder on the Extended Closing Date, payable in certified funds. If Buyer fails to complete Closing on the Closing Date or any Extended Closing Date, Buyer will be in default.

HOMEBUYER: _____

BUILDER : _____

NEW HOME ORIENTATION: DATE: _____

TIME: 8:00 AM or 12:00 Noon
Circle One

CLOSING: DATE: (1 month window) _____

4. FINANCIAL QUALIFICATION.

The Homebuyer understands that if the Builder accepts this Agreement, the Builder will be making a substantial investment and commitment in reliance on the Homebuyer's financial ability to complete the purchase of the Property.

To assist the Builder in making this decision, the Homebuyer will obtain, and deliver to the Builder, the Financial Qualification Confirmation in accordance with the provisions of Section 2 of this Agreement.

After receipt of the completed Financial Qualification Confirmation from the Homebuyer, the Builder will have the right to elect not to proceed, and the Builder may, on or before seven (7) days after such receipt, in Builder's sole judgment and absolute discretion, terminate this Agreement in accordance with the provisions of Section 22 of this Agreement.

5. RECEIPT OF REQUIRED PROPERTY OWNERSHIP CONDITIONS DISCLOSURE.

Homebuyer acknowledges that, by their availability at "www.charterhomes.com/homeowners/login" (Using Username "HOAdocs" and Password "CH&N"), Homebuyer has received, as of the Agreement Date, Property Documents with all information and documents required by Pennsylvania law to be provided regarding conditions to which ownership of the Property is subject (recorded Declaration, homeowner association ("HOA") obligations (Covenants, Restrictions, payments of assessments) and bylaws, and mandatory HOA membership. A mailed copy is also available upon written request

6. BUILDING THE HOME.

The Builder will construct a Home on the Property, in a good and workmanlike manner, in accordance with the Specifications set forth in the Homeowner's Manual, and in accordance with the home plan and options as set forth on the Selection Sheet attached to this Agreement, or any modified Selection Sheet signed by the Homebuyer and by the Builder. Specific home plans are copyrighted and proprietary information of the Builder. Homebuyer will be provided with marketing brochures of the home.

7. HOMESITE CONDITIONS.

The Builder will have the sole right to make all decisions regarding the construction of the Home and the development of the Property including, but not limited to, establishment of and changes in grade, removal of trees (if any are present), placement of utility lines and equipment, location and design of driveways, walks, landscaping and drainage (including swales), and all items of a similar nature. The Builder shall solely determine which trees are to be removed for placement and construction of the home, driveway and other improvements, including access. The Builder will not be required to restore any trees removed. The Builder does not represent or warrant that any existing trees will survive. At Closing, in addition to the Purchase Price, the Homebuyer agrees to pay to the Builder an Engineering Services Fee in the amount of \$495 to partially reimburse the Builder for the Builder's surveying and other civil engineering work expenses in connection with the construction of the Home on the Property.

8. HARDWOOD FLOORING

The Builder strongly recommends the use and installation of a humidifier to preserve the quality of hardwood flooring. Without proper humidity levels, cracks between edges of flooring boards may appear when dry conditions are produced by a standard heating system. Controlling humidity levels in a new home will aid in maintaining the beauty of hardwood flooring and adhere to the care standards outlined in the Homeowner's Manual. This recommendation is especially important for homes with an unfinished basement directly below the installed hardwood. The Builder will not be responsible for the performance of hardwood in the home unless a humidifier is professionally installed and operated in

HOMEBUYER: _____

BUILDER : _____

accordance with the operations manual of the humidifier and the home is maintained with ambient humidity levels between 35%-55% throughout the year.

9. FIXTURES NOT INCLUDED IN THE SALE.

This sale and purchase does not include any furniture, furnishings, decorator wall or floor coverings, light fixtures, landscaping, and items of a similar nature unless specifically stated in the Specifications and/or on the Selection Sheet attached to this Agreement.

10. IMPORTANT SPECIFICATIONS.

Information regarding Radon Gas and Mold is contained in the HomeCare section of the Homeowner's Manual. Information regarding Insulation and Sprinklers is contained in the Performance Standards section of the Homeowner's Manual. The Homebuyer acknowledges that the Homebuyer has read and understands all of the specifications for the Home, including those regarding:

☐ RADON GAS

☐ MOLD

☐ INSULATION

Attic:	Cellulose blown in	R-38	14"
Standard Exterior Walls:	Batt with paper face	R-21	5¼"
Garage Interior Walls:	Batt with paper face	R-13	3½"
Cathedral Ceilings & Bump Outs:	Batt with paper face	R-38	11¼"
Basement:	Vinyl faced	R- 11	3½"
Band Board:	Batt with paper face	R-21	5¼"

☐ SPRINKLERS

Homebuyer Initials: _____

11. SAFETY AND ACCESS TO THE PROPERTY.

A HOME CONSTRUCTION SITE IS A HAZARDOUS AREA. Entering the Property or the Home while the Home is under construction and the Property is being developed can result in property damage, serious injury, or death. For the safety of property and of all persons, the Homebuyer agrees to not enter upon the Property unless accompanied by an authorized representative of the Builder. If the Homebuyer or Homebuyer invitees enters the Property prior to Closing unaccompanied by an authorized representative of the Builder, the Homebuyer agrees to indemnify and hold the Builder harmless for any resulting bodily injury or property damage.

12. NO UNAUTHORIZED WORK.

Because the Property and the Home are property of the Builder until Closing, no unauthorized work may be done in the Home or on the Property. Unauthorized work done for or by the Homebuyer will be removed by the Builder, at the expense of the party who did, or attempted to do, unauthorized work.

13. LOSS PRIOR TO CLOSING.

Except for loss or damage resulting from the Homebuyer, or the Homebuyer's invitees, entering the Property prior to Closing, the Builder will be responsible for any loss or damage to the Property prior to Closing.

14. BUILDING INSPECTION.

Homebuyer may, at Homebuyer's expense, hire an independent building inspector (the "Homebuyer's Inspector") to examine the Property and all aspects of the construction of the Home prior to the New Home Orientation. Builder agrees to permit Homebuyer's Inspector to enter the Property provided that:

- a. Any inspection must take place under the supervision of a representative of the Builder.

HOMEBUYER: _____

BUILDER : _____

- b. Homebuyer's Inspector must complete any desired inspection on a date and time mutually agreed by Builder and Homebuyer's Inspector. Builder is not obligated to permit inspections before or after the time agreed to by Homebuyer's Inspector and the Builder.
- c. Homebuyer's Inspector must be licensed to conduct residential property inspections in the location of the Property.
- d. Homebuyer's Inspector must provide to Builder a copy of the Homebuyer's Inspector's business license and certificate of insurance demonstrating that Homebuyer's Inspector has a current general liability policy in a sum not less than \$250,000 at least three (3) days prior to any scheduled inspection.
- e. Homebuyer must provide Builder a copy of the Homebuyer's Inspector's report (the "Report") on the date following the date of any inspection by Homebuyer's Inspector.

If Homebuyer believes any items identified in the Report are items to be completed or addressed by the Builder, Homebuyer shall notify the Builder of each such item in writing. Builder agrees to complete or address any item so identified as required to substantially conform the Home to the plans and specifications of the Home.

15. NEW HOME ORIENTATION.

Prior to Closing, a representative of the Builder will go through the Home with the Homebuyer, together with no more than one additional individual, at which time the Builder's representative will acquaint the Homebuyer with the Home and its features and answer questions.

16. CLOSING DATE.

To the extent the specific Closing Date is not set forth in Section 3 hereof, the Builder will notify the Homebuyer of the date, time, and location of the Closing at least ten days prior to Closing. The scheduled Closing will be subject to Builder obtaining any Certificate of Occupancy, Use and Occupancy Certificate or Permit, or other similar governmental approval of occupancy of the Home on the Property ("Occupancy Approval"). Failure to complete Closing on the Closing Date as scheduled by the Builder, or such other Closing Date as may be mutually agreed by the Homebuyer and the Builder, will constitute default by the Homebuyer.

17. CLOSING ITEMS.

At Closing:

- a. The Builder will convey title to and deliver possession of the Property to the Homebuyer by a Special Warranty Deed, conveying good and marketable title (insurable by a licensed title insurance company), free and clear of all encumbrances of record except easements, conditions, covenants and restrictions existing at the time of Closing.
- b. The Builder will provide any and all Certificate(s) of Occupancy or Use and Occupancy Certificate(s) which are required to be issued by any and all governmental entities having jurisdiction of such certificates
- c. The Builder will pay one half (1/2) of the Realty Transfer Taxes due on this sale and purchase based on the Purchase Price. The Homebuyer will pay all other Realty Transfer Taxes. Property taxes and homeowner association assessments, if any, affecting this Property will be prorated, with each party paying such party's share.
- d. The Builder will (1) prepare the deed and any releases of mortgages, liens or judgments against the Property (the Builder will not pay for the preparation of these documents by anyone else) and (2) pay for the recording of any such releases.
- e. The Homebuyer will be responsible for and pay any charges of any mortgage lender providing funds to the Homebuyer, any charges of the title insurer insuring the Homebuyer's title (including title search, title insurance, endorsements, and any as-built or other survey), and any charges of the person or firm conducting Closing (including costs of recording the deed and mortgage, any Closing fees and disbursement charges). At Closing, in addition to the Purchase Price, the Homebuyer agrees to pay to the Builder a Document Preparation Fee in the amount of \$200 to partially reimburse the Builder for the Builder's expenses in connection with the preparation of Closing documents. Further, at Closing, in addition to the Purchase Price, Homebuyer agrees to

HOMEBUYER: _____

BUILDER : _____

pay to the Builder an Engineering Services Fee in the amount of \$495 to partially reimburse the Builder for the Builder's surveying and other civil engineering work expenses in connection with the construction of the Home on the Property.

18. RELEASE OF LIENS.

The Builder represents and warrants to the Homebuyer that the Builder will take all proper steps to ensure that no claims will be asserted against Homebuyer or the Property by any contractor, subcontractor or supplier with whom the Builder has contracted and who has provided labor or materials for construction of the Home or development of the Property. In the event that any such claims are asserted, the Builder will indemnify and defend the Homebuyer against such claims.

19. WARRANTY.

The Builder has provided to the Homebuyer, prior to execution of this Agreement, the Builder's warranty applicable to the construction of the Home ("Your Warranty" together with the "One Year Limited Warranty" and "Performance Standards" which are collectively referred to as the "New Home Warranty") contained in the Homeowner's Manual. The terms and conditions of the New Home Warranty are incorporated in this Agreement by reference and made part of this Agreement.

The Homebuyer acknowledges that the Homebuyer has read, understands, and agrees to the terms of the New Home Warranty. **Except for the New Home Warranty and any manufacturers' warranties that may be provided, BUILDER MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF HABITABILITY, REASONABLE WORKMANSHIP, MERCHANTABILITY, FITNESS FOR PURPOSE AND ANY WARRANTY FOR LATENT DEFECTS, DESIGN, CONDITION, QUALITY OR OTHERWISE, AND BUILDER HEREBY EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES.** By accepting the deed to the Property, the Homebuyer acknowledges and accepts such disclaimer and agrees to waive any and all rights Homebuyer may have by virtue of such disclaimed representations and warranties. By the waiver of these implied warranties, Homebuyer agrees that only the terms and conditions of the New Home Warranty and any manufacturers' warranties that may be provided, and no other express or implied warranties, will measure the warranty performance by Builder. There are no warranties which extend beyond the New Home Warranty contained within the "Post Closing" portion of the Homeowner's Manual.

The dispute resolution provisions of this New Home Purchase Agreement as set forth in Section 25 of this New Home Purchase Agreement shall apply to and govern the determination and resolution of any and all disputes and/or claims pursuant to the terms of the New Home Warranty. The provisions of Section 25 of this New Home Purchase Agreement shall survive Closing of the purchase of the Property.

Homebuyer Initials: _____

HOMEBUYER: _____

BUILDER : _____

20. LAND IN THE VICINITY OF THE PROPERTY.

The Homebuyer acknowledges that land adjacent to, and near the Property being purchased may be developed and used in any lawful manner; the Builder makes no representation of any kind to the contrary. The Homebuyer acknowledges and agrees that any and all communications in any manner (including, but not limited to, verbal, written, displayed, and/or electronic) from the Builder or from any Builder employee, agent, representative, or affiliate regarding the development or use of any land or property is merely a statement or opinion of likely or possible development and/or use and is not a representation, covenant, or warranty of any current or future land use or development of any property. The Homebuyer acknowledges and affirms that the Homebuyer has not relied, and will not rely, on any such communications and that the Homebuyer will independently obtain information from applicable governmental entities regarding existing, planned, protected, and potential uses, recognizing that zoning and development plans are subject to change at any time, subject to applicable laws.

21. HOMEBUYER DEFAULT.

This Agreement contains representations, warranties, agreements and promises of the Homebuyer on which the Builder is relying, including but not limited to those in Section 2 of this Agreement. Time is of the essence of all obligations of the Homebuyer under this Agreement. The Homebuyer will be in default if the Homebuyer fails to timely perform any of Homebuyer's obligations in this Agreement. The remedies of the Builder for any default by the Homebuyer shall not, in any way, be limited and may include retention of any and all Deposits paid to the Builder and any Closing Extension Fee as liquidated damages and not as a penalty.

22. DELAY.

The Builder will not be liable for delays or failure to perform the Builder's obligations under this Agreement resulting from factors beyond the Builder's control including, but not limited to, force majeure, war, civil unrest, asserted but not adjudicated liens on, or impairments to, title (e.g., filed Mechanic's Lien, filed *lis pendens*), actual or economic unavailability of labor and/or materials or unavailability of land, site improvement work, utility services, or permits or approvals to be provided or obtained by others.

23. TERMINATION.

Provided the Homebuyer is not in default, if this Agreement is terminated in accordance with the terms contained herein, all Deposits paid by the Homebuyer to the Builder will be returned by the Builder to the Homebuyer and this Agreement will thereupon be void, and neither party will have any further obligation to the other hereunder. In addition, if termination is the result of a default by the Builder, the Builder will pay to the Homebuyer the amount of any mortgage or title costs which the Homebuyer has incurred for this purchase including title insurance application, mortgage application, appraisal, and fees such as rate lock-in fee. The Homebuyer may not sue the Builder for specific performance of the Builder's obligations.

24. NOTICES.

Notices will be considered given upon delivery (provided a signed receipt or notarized affidavit of delivery is obtained if hand delivered or delivered by any delivery service) or three (3) days after deposit with the US Postal Service first class mail postage prepaid, return receipt requested, to the address of the recipient as stated in this Agreement.

25. ENTIRE AGREEMENT; PARTIES BOUND.

This Agreement and Addenda and exhibits hereto contain the whole agreement between the Builder and the Homebuyer regarding the subject matter of this Agreement and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise of any kind whatsoever concerning this transaction. No broker, agent or salesperson has authority to make, or has made, any statement, agreement or representation (either oral or written) in connection with this transaction modifying, amending, adding to or changing the terms of this Agreement. No custom or prior or other dealings between the parties will contradict, add to, or modify the terms of this Agreement. The Builder is not responsible or liable for any agreement, condition or stipulation not specifically set forth in this Agreement. No modification of this Agreement shall be binding unless in

HOMEBUYER: _____

BUILDER : _____

writing and signed by both parties. This Agreement shall benefit and bind the parties hereto, their respective heirs, personal representatives, successors and assigns.

26. DISPUTE RESOLUTION.

All disputes, claims or causes of action relating to this Agreement, including the rights and obligations under this Agreement and the performance of the parties, shall be resolved exclusively in the following manner:

- a. Upon the arising of any dispute, the parties shall initially meet in good faith at the offices of the Builder in Lancaster, Pennsylvania in an effort to resolve the dispute informally.
- b. If the parties are unable to resolve the dispute informally, the parties agree to attempt in good faith to settle the dispute by non-binding mediation administered by the American Arbitration Association under its Home Construction Mediation Procedures before resorting to litigation. Mediation sessions may be held by any electronic communications, including but not limited to by telephone or in person at the offices of the Builder in Lancaster, Pennsylvania.
- c. If the parties do not reach a mutually agreeable settlement within 30 days after initiation of mediation, either party may institute an action in the Court of Common Pleas of Lancaster County, Pennsylvania, which shall be the exclusive judicial forum.

TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY DISPUTE BETWEEN THEM RELATING TO THIS AGREEMENT.

If either party institutes an action in the Court of Common Pleas of Lancaster County against the other to enforce any provision of this Agreement or otherwise with respect to any dispute arising out of this Agreement, upon the issuance of a final and unappealable decision, or after the time period for bringing an appeal has expired, the losing party shall reimburse the prevailing party for the reasonable attorneys' fees and all costs incurred by the prevailing party in connection with the litigation. Within thirty (30) days after receipt of a detailed statement as to the amount of the attorneys' fees and costs, the losing party shall pay the prevailing party. In the event the parties disagree as to which party is the prevailing party, the court shall make such determination for the purposes of this paragraph.

27. CHOICE OF LAW.

This Agreement shall be construed and governed under the laws of the Commonwealth of Pennsylvania, without regarding conflict of law principles.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

HOMEBUYER: _____

BUILDER : _____

This Agreement is not binding on the Builder until ratified by the President, a Vice President or the Director of Sales of _____.

By signing this Agreement, the HOMEBUYER intends and agrees to be legally bound by the terms of this Agreement.

HOMEBUYER

HOMEBUYER

Address of the Homebuyer:

By signing this Agreement, the BUILDER intends and agrees to be legally bound by the terms of this Agreement.

_____,
a Pennsylvania corporation

By _____
Neighborhood Sales Manager
Assistant Vice President

Ratified
By _____
President, Vice President, or Director of Sales

Address of the Builder:
1190 Dillerville Road, Lancaster, PA 17601

HOMEBUYER: _____

BUILDER : _____

NEW HOME PURCHASE AGREEMENT – BUILD TO ORDER

AGREEMENT DATE:

HOMEBUYER:

BUILDER: _____, a Pennsylvania corporation

**BUILDER HOMESITE
IDENTIFICATION:**

PROPERTY: Unit (Lot) ____, in _____

with an address of _____

together with a Home, built or to be built by the Builder as set forth in this Agreement
and as set forth on the **Selection Sheet** attached to this Agreement.

1. PURCHASE PRICE

If Additional Options are selected by the Homebuyer, a revised Selection Sheet, signed by the Homebuyer and by the Builder, will **replace** the Selection Sheet attached to this Agreement and will set forth a revised Purchase Price.

The Homebuyer will pay the Purchase Price to the Builder as follows:

Initial Deposit.....

Options Deposit

Total Deposits, to be credited to the Homebuyer at Closing

To be paid at Closing after application of Deposit credits,
subject to change if Purchase Price is revised.....

2. TIMELINE.

The Homebuyer hereby agrees and promises to do the following:

- deliver a confirmation to the Builder after making, in good faith and at the Homebuyer's expense, a completed, written **Mortgage Application** no later than (2 business days)
- deliver to the Builder a copy of a written **Mortgage Loan Commitment** no later than (15 business days).....
- complete **selections at Charter Colors** and execute the **Release to Construction Amendment**, no later than (10 business days)
- attend the **Construction Tour** scheduled by the Builder and complete the **Closing Information Amendment**, approximately 45 calendar days prior to Closing
- attend **New Home Orientation** scheduled by the Builder with 3 business days of Closing
- complete the **Closing** of the purchase of the Home on the date and time, and the location, scheduled by the Builder. Closing is estimated for (2 month window)

HOMEBUYER: _____

BUILDER: _____

3. **FINANCIAL QUALIFICATION.**

The Homebuyer understands that if the Builder accepts this Agreement, the Builder will be making a substantial investment and commitment in reliance on the Homebuyer's financial ability to complete the purchase of the Property.

To assist the Builder in making this decision, the Homebuyer will obtain, and deliver to the Builder, the Financial Qualification Confirmation in accordance with the provisions of Section 2 of this Agreement.

After receipt of the completed Financial Qualification Confirmation from the Homebuyer, the Builder will have the right to elect not to proceed, and the Builder may, on or before seven (7) days after such receipt, in Builder's sole judgment and absolute discretion, terminate this Agreement in accordance with the provisions of Section 23 of this Agreement.

4. **RECEIPT OF REQUIRED PROPERTY OWNERSHIP CONDITIONS DISCLOSURE.**

Homebuyer acknowledges that, by their availability at "www.charterhomes.com/homeowners/login" (Using Username "HOAdocs" and Password "CH&N"), Homebuyer has received, as of the Agreement Date, Property Documents with all information and documents required by Pennsylvania law to be provided regarding conditions to which ownership of the Property is subject (recorded Declaration, homeowner association ("HOA") obligations (Covenants, Restrictions, payments of assessments) and bylaws, and mandatory HOA membership. A mailed copy is also available upon written request

5. **BUILDING THE HOME.**

The Builder will construct a Home on the Property, in a good and workmanlike manner, in accordance with the Specifications set forth in the Homeowner's Manual, and in accordance with the home plan and options as set forth on the Selection Sheet attached to this Agreement, or any modified Selection Sheet signed by the Homebuyer and by the Builder. Specific home plans are copyrighted and proprietary information of the Builder. Homebuyer will be provided with marketing brochures of the home.

6. **HOMESITE CONDITIONS.**

The Builder will have the sole right to make all decisions regarding the construction of the Home and the development of the Property including, but not limited to, establishment of and changes in grade, removal of trees (if any are present), placement of utility lines and equipment, location and design of driveways, walks, landscaping and drainage (including swales), and all items of a similar nature. The Builder shall solely determine which trees are to be removed for placement and construction of the home, driveway and other improvements, including access. The Builder will not be required to restore any trees removed. The Builder does not represent or warrant that any existing trees will survive. At Closing, in addition to the Purchase Price, the Homebuyer agrees to pay to the Builder an Engineering Services Fee in the amount of \$495 to partially reimburse the Builder for the Builder's surveying and other civil engineering work expenses in connection with the construction of the Home on the Property.

7. **DESIGN IMPROVEMENTS; SUBSTITUTION OF MATERIALS.**

As part of a continuing program of home design improvements, the Plans and Specifications are subject to change in accordance with any product changes provided to the Homebuyer and the terms of this Agreement. The Home may differ from any Model Home or information in sales materials (including, but not limited to, brochures, displays, and/or internet websites) as a result of amendments or revisions to the Plans and Specifications and normal construction tolerances and variances. Any Model Home or sample materials presented to or examined by the Homebuyer were for illustrative purposes only and shall not be deemed to create an express warranty that the materials or colors will conform to any Model Home or sample materials presented to or examined by the Homebuyer. In the event that Builder is unable to timely or reasonably obtain the materials specified in the Selection Sheet and/or Specifications through ordinary and usual sources of supply, Builder shall have the right to substitute available materials of similar pattern, design and quality.

HOMEBUYER: _____

BUILDER: _____

8. HARDWOOD FLOORING

The Builder strongly recommends the use and installation of a humidifier to preserve the quality of hardwood flooring. Without proper humidity levels, cracks between edges of flooring boards may appear when dry conditions are produced by a standard heating system. Controlling humidity levels in a new home will aid in maintaining the beauty of hardwood flooring and adhere to the care standards outlined in the Homeowner's Manual. This recommendation is especially important for homes with an unfinished basement directly below the installed hardwood. The Builder will not be responsible for the performance of hardwood in the home unless a humidifier is professionally installed and operated in accordance with the operations manual of the humidifier and the home is maintained with ambient humidity levels between 35%-55% throughout the year.

9. FIXTURES NOT INCLUDED IN THE SALE.

This sale and purchase does not include any furniture, furnishings, decorator wall and floor coverings, light fixtures, landscaping, and items of a similar nature unless specifically stated in the Specifications and/or on the Selection Sheet attached to this Agreement.

10. IMPORTANT SPECIFICATIONS.

Information regarding Radon Gas and Mold is contained in the HomeCare section of the Homeowner's Manual. Information regarding Insulation and Sprinklers is provided in the Performance Standards section of the Homeowner's Manual. The Homebuyer acknowledges that Homebuyer has read and understands all of the specifications for the Home, including those regarding:

☐ RADON GAS

☐ MOLD

☐ INSULATION

Attic:	Cellulose blown in	R-38	14"
Standard Exterior Walls:	Batt with paper face	R-21	5¼"
Garage Interior Walls:	Batt with paper face	R-13	3½"
Cathedral Ceilings & Bump Outs:	Batt with paper face	R-38	11¼"
Basement:	Vinyl faced	R- 11	3½"
Band Board:	Batt with paper face	R-21	5¼"

☐ SPRINKLERS

Homebuyer Initials: _____

11. SAFETY AND ACCESS TO THE PROPERTY.

A HOME CONSTRUCTION SITE IS A HAZARDOUS AREA. Entering the Property or the Home while the Home is under construction and the Property is being developed can result in property damage, serious injury, or death. For the safety of property and of all persons, the Homebuyer agrees to not enter upon the Property unless accompanied by an authorized representative of the Builder. If the Homebuyer or Homebuyer invitees enters the Property prior to Closing unaccompanied by an authorized representative of the Builder, the Homebuyer agrees to indemnify and hold the Builder harmless for any resulting bodily injury or property damage.

12. NO UNAUTHORIZED WORK.

Because the Property and the Home are property of the Builder until Closing, no unauthorized work may be done in the Home or on the Property. Unauthorized work done for or by the Homebuyer will be removed by the Builder, at the expense of the party who did, or attempted to do, unauthorized work.

13. BUILDING INSPECTION.

Homebuyer may, at Homebuyer's expense, hire an independent building inspector (the "Homebuyer's Inspector") to examine the Property and all aspects of the construction of the Home prior to the New Home Orientation. Builder agrees to permit Homebuyer's Inspector to enter the Property provided that:

HOMEBUYER: _____

BUILDER: _____

- a. Any inspection must take place under the supervision of a representative of the Builder.
- b. Homebuyer's Inspector must complete any desired inspection on a date and time mutually agreed by Builder and Homebuyer's Inspector. Builder is not obligated to permit inspections before or after the time agreed to by Homebuyer's Inspector and the Builder.
- c. Homebuyer's Inspector must be licensed to conduct residential property inspections in the location of the Property.
- d. Homebuyer's Inspector must provide to Builder a copy of the Homebuyer's Inspector's business license and certificate of insurance demonstrating that Homebuyer's Inspector has a current general liability policy in a sum not less than \$250,000 at least three (3) days prior to any scheduled inspection.
- e. Homebuyer must provide Builder a copy of the Homebuyer's Inspector's report (the "Report") on the date following the date of any inspection by Homebuyer's Inspector.

If Homebuyer believes any items identified in the Report are items to be completed or addressed by the Builder, Homebuyer shall notify the Builder of each such item in writing. Builder agrees to complete or address any item so identified as required to substantially conform the Home to the plans and specifications of the Home.

14. LOSS PRIOR TO CLOSING.

Except for loss or damage resulting from the Homebuyer, or the Homebuyer's invitees, entering the Property prior to Closing, the Builder will be responsible for any loss or damage to the Property prior to Closing.

15. COMPLETION OF CONSTRUCTION.

Closing will occur, without holdback or escrow of any portion of the Purchase Price, when a Certificate of Occupancy or a Use and Occupancy Certificate is issued for the Home on the Property. A minor amount of work, not affecting the livability of the Home, may not be complete at time of Closing. The Builder will remain obligated to complete any such incomplete work following Closing. If, because of incomplete work, the Homebuyer's mortgage loan lender requires funds to be placed in escrow as a condition of providing mortgage financing, any such funds shall be provided by and deposited in such escrow by the Homebuyer.

16. NEW HOME ORIENTATION.

Prior to Closing, a representative of the Builder will go through the Home with the Homebuyer, together with no more than one additional individual, for an Orientation of the Home at which time the Builder's representative will acquaint the Homebuyer with the Home and its features, answer questions, and verify that the Home has been constructed in accordance with the terms of this Agreement.

17. CLOSING DATE.

Builder will notify the Homebuyer of the date, time, and location of the Closing at least ten (10) days prior to Closing (the "Closing Date"). The scheduled Closing will be subject to Builder obtaining any Certificate of Occupancy, Use and Occupancy Certificate or Permit, or other similar governmental approval of occupancy of the Home on the Property ("Occupancy Approval"). In the event Homebuyer does not close on the Closing Date, for any reason whatsoever, Builder, in its sole discretion, may agree to extend the Closing Date (the "Extended Closing Date"). If Builder agrees to extend the Closing Date, Homebuyer shall pay to Builder \$250.00 per day, up to and including the Extended Closing Date, as a Closing extension fee (the "Closing Extension Fee"), for each day Homebuyer extends Closing beyond the original Closing Date. Unless Builder requires earlier payment of the Closing Extension Fee, the Closing Extension Fee shall be due to Builder on the Extended Closing Date, payable in certified funds. Failure to complete Closing on the Closing Date or any Extended Closing Date will constitute default by Homebuyer.

HOMEBUYER: _____

BUILDER: _____

18. **CLOSING ITEMS.**

At Closing:

- a. The Builder will convey title to and deliver possession of the Property to the Homebuyer by a Special Warranty Deed, conveying good and marketable title (insurable by a licensed title insurance company), free and clear of all encumbrances of record except easements, conditions, covenants and restrictions existing at the time of Closing.
- b. The Builder will provide any and all Certificate(s) of Occupancy or Use and Occupancy Certificate(s) which are required to be issued by any and all governmental entities having jurisdiction of such certificates
- c. The Builder will pay one half (1/2) of the Realty Transfer Taxes due on this sale and purchase based on the Purchase Price. The Homebuyer will pay all other Realty Transfer Taxes. Property taxes and homeowner association assessments, if any, affecting this Property will be pro rated, with each party paying such party's share.
- d. The Builder will (1) prepare the deed and any releases of mortgages, liens or judgments against the Property (the Builder will not pay for the preparation of these documents by anyone else) and (2) pay for the recording of any such releases.
- e. The Homebuyer will be responsible for and pay any charges of any mortgage lender providing funds to the Homebuyer, any charges of the title insurer insuring the Homebuyer's title (including title search, title insurance, endorsements, and any as-built or other survey), and any charges of the person or firm conducting Closing (including costs of recording the deed and mortgage, any Closing fees and disbursement charges). At Closing, in addition to the Purchase Price, the Homebuyer agrees to pay to the Builder a Document Preparation Fee in the amount of \$200 to partially reimburse the Builder for the Builder's expenses in connection with the preparation of Closing documents.

19. **RELEASE OF LIENS.**

The Builder represents and warrants to the Homebuyer that the Builder will take all proper steps to ensure that no claims will be asserted against Homebuyer or the Property by any contractor, subcontractor or supplier with whom the Builder has contracted and who has provided labor or materials for construction of the Home or development of the Property. In the event that any such claims are asserted, the Builder will indemnify and defend the Homebuyer against such claims.

20. **WARRANTY.**

The Builder has provided to the Homebuyer, prior to execution of this Agreement, the Builder's warranty applicable to the construction of the Home ("Your Warranty" together with the "One Year Limited Warranty" and "Performance Standards" which are collectively referred to as the "New Home Warranty") contained in the Homeowner's Manual. The terms and conditions of the New Home Warranty are incorporated in this Agreement by reference and made part of this Agreement.

The Homebuyer acknowledges that the Homebuyer has read, understands, and agrees to the terms of the New Home Warranty. **Except for the New Home Warranty and any manufacturers' warranties that may be provided, BUILDER MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF HABITABILITY, REASONABLE WORKMANSHIP, MERCHANTABILITY, FITNESS FOR PURPOSE AND ANY WARRANTY FOR LATENT DEFECTS, DESIGN, CONDITION, QUALITY OR OTHERWISE, AND BUILDER HEREBY EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR**

HOMEBUYER: _____

BUILDER: _____

WARRANTIES. By accepting the deed to the Property, the Homebuyer acknowledges and accepts such disclaimer and agrees to waive any and all rights Homebuyer may have by virtue of such disclaimed representations and warranties. By the waiver of these implied warranties, Homebuyer agrees that only the terms and conditions of the New Home Warranty and any manufacturers' warranties that may be provided, and no other express or implied warranties, will measure the warranty performance by Builder. There are no warranties which extend beyond the New Home Warranty contained within the "Post Closing" portion of the Homeowner's Manual.

The dispute resolution provisions of this New Home Purchase Agreement as set forth in Section 25 of this New Home Purchase Agreement shall apply to and govern the determination and resolution of any and all disputes and/or claims pursuant to the terms of the New Home Warranty. The provisions of Section 25 of this New Home Purchase Agreement shall survive Closing of the purchase of the Property.

Homebuyer Initials: _____

21. LAND IN THE VICINITY OF THE PROPERTY.

The Homebuyer acknowledges that land adjacent to, and near the Property being purchased may be developed and used in any lawful manner; the Builder makes no representation of any kind to the contrary. The Homebuyer acknowledges and agrees that any and all communications in any manner (including, but not limited to, verbal, written, displayed, and/or electronic) from the Builder or from any Builder employee, agent, representative, or affiliate regarding the development or use of any land or property is merely a statement or opinion of likely or possible development and/or use and is not a representation, covenant, or warranty of any current or future land use or development of any property. The Homebuyer acknowledges and affirms that the Homebuyer has not relied, and will not rely, on any such communications and that the Homebuyer will independently obtain information from applicable governmental entities regarding existing, planned, protected, and potential uses, recognizing that zoning and development plans are subject to change at any time, subject to applicable laws.

22. HOMEBUYER DEFAULT.

This Agreement contains representations, warranties, agreements and promises of the Homebuyer on which the Builder is relying, including but not limited to those in Section 2 of this Agreement. Time is of the essence of all obligations of the Homebuyer under this Agreement. The Homebuyer will be in default if the Homebuyer fails to timely perform any of the Homebuyer's obligations under this Agreement. The remedies of the Builder for any default by Homebuyer shall not, in any way, be limited and may include retention of any and all Deposits paid to the Builder and any Closing Extension Fee as liquidated damages and not as a penalty.

23. DELAY.

If the Home is not substantially complete within twelve (12) months after the Homebuyer has executed the **Release to Construction Addendum** to New Home Purchase Agreement, the Homebuyer may (but is not required to) terminate this Agreement in accordance with the terms of Section 23 of this Agreement. The Builder will not be liable for delays or failure to perform the Builder's obligations under this Agreement resulting from factors beyond the Builder's control including, but not limited to, force majeure, war, civil unrest, asserted but not adjudicated liens on, or impairments to, title (e.g., filed Mechanic's Lien, filed *lis pendens*), actual or economic unavailability of labor and/or materials or unavailability of land, site improvement work, utility services, or permits or approvals to be provided or obtained by others.

HOMEBUYER: _____

BUILDER: _____

24. TERMINATION.

Provided the Homebuyer is not in default, if this Agreement is terminated in accordance with the terms contained herein, all Deposits paid by the Homebuyer to the Builder will be returned by the Builder to the Homebuyer and this Agreement will thereupon be void, and neither party will have any further obligation to the other hereunder. In addition, if termination is the result of a default by the Builder, the Builder will pay to the Homebuyer the amount of any mortgage or title costs which the Homebuyer has incurred for this purchase including title insurance application, mortgage application, appraisal, and fees such as rate lock-in fee. The Homebuyer may not sue the Builder for specific performance of the Builder's obligations.

25. NOTICES.

Notices will be considered given upon delivery (provided a signed receipt or notarized affidavit of delivery is obtained if hand delivered or delivered by any delivery service) or three (3) days after deposit with the US Postal Service first class mail postage prepaid, return receipt requested, to the address of the recipient as stated in this Agreement.

26. ENTIRE AGREEMENT; PARTIES BOUND.

This Agreement and Addenda and exhibits hereto contain the whole agreement between the Builder and the Homebuyer regarding the subject matter of this Agreement and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise of any kind whatsoever concerning this transaction. No broker, agent or salesperson has authority to make, or has made, any statement, agreement or representation (either oral or written) in connection with this transaction modifying, amending, adding to or changing the terms of this Agreement. No custom or prior or other dealings between the parties will contradict, add to, or modify the terms of this Agreement. Builder is not responsible or liable for any agreement, condition or stipulation not specifically set forth in this Agreement. No modification of this Agreement shall be binding unless in writing and signed by both parties. This Agreement shall benefit and bind the parties hereto, their respective heirs, personal representatives, successors and assigns.

27. DISPUTE RESOLUTION.

All disputes, claims or causes of action relating to this Agreement, including the rights and obligations under this Agreement and the performance of the parties, shall be resolved exclusively in the following manner:

- a. Upon the arising of any dispute, the parties shall initially meet in good faith at the offices of the Builder in Lancaster, Pennsylvania in an effort to resolve the dispute informally.
- b. If the parties are unable to resolve the dispute informally, the parties agree to attempt in good faith to settle the dispute by non-binding mediation administered by the American Arbitration Association under its Home Construction Mediation Procedures before resorting to litigation. Mediation sessions may be held by any electronic communications, including but not limited to by telephone or in person at the offices of the Builder in Lancaster, Pennsylvania.
- c. If the parties do not reach a mutually agreeable settlement within 30 days after initiation of mediation, either party may institute an action in the Court of Common Pleas of Lancaster County, Pennsylvania, which shall be the exclusive judicial forum.

TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY DISPUTE BETWEEN THEM RELATING TO THIS AGREEMENT.

If either party institutes an action in the Court of Common Pleas of Lancaster County against the other to enforce any provision of this Agreement or otherwise with respect to any dispute arising out of this Agreement, upon the issuance of a final and unappealable decision, or after the time period for bringing an appeal has expired, the losing party shall reimburse the prevailing party for the reasonable attorneys' fees and all costs incurred by the prevailing party in connection with the litigation. Within thirty (30) days after receipt of a detailed statement as to the amount of the

HOMEBUYER: _____

BUILDER: _____

attorneys' fees and costs, the losing party shall pay the prevailing party. In the event the parties disagree as to which party is the prevailing party, the court shall make such determination for the purposes of this paragraph.

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[SIGNATURES APPEAR ON FOLLOWING PAGE]

HOMEBUYER: _____

BUILDER: _____

This Agreement is not binding on the Builder until ratified by the President, a Vice President or the Director of Sales of

By signing this Agreement, the HOMEBUYER intends and agrees to be legally bound by the terms of this Agreement.

HOMEBUYER

HOMEBUYER

Address of the Homebuyer:

By signing this Agreement, the BUILDER intends and agrees to be legally bound by the terms of this Agreement.

a Pennsylvania corporation

By _____
Neighborhood Sales Manager
Assistant Vice President

Ratified
By _____
President, Vice President, or Director of Sales

Address of the Builder:

1190 Dillerville Road, Lancaster, PA 17601

HOMEBUYER: _____

BUILDER: _____

PLANNED COMMUNITY ADDENDUM to NEW HOME PURCHASE AGREEMENT

BUILDER HOMESITE IDENTIFICATION: _____
DATE OF ADDENDUM: _____

This Addendum supplements and/or modifies the New Home Purchase Agreement with an AGREEMENT DATE of:
between HOMEBUYER:
and BUILDER:
for the purchase of (PROPERTY) Unit (Lot) _____
with an address of _____

1. **PCSM Disclosure.** The Property is part of a planned community, which is currently being improved and developed in accordance with the requirements of all governmental entities having jurisdiction, pursuant to applicable Municipal, County, State and Federal statutes, laws, ordinances, codes, rules and regulations. The improvement, development and occupancy of the planned community is, among other requirements, subject to the provisions relating to the control of stormwater, of the United States Clean Water Act, 33 U.S.C. Section 1251 *et seq.*, the Pennsylvania Clean Streams Law, as amended, 35 P.S. Section 691.1 *et seq.*, and the provisions of 25 Pa. Code Chapter 102, Erosion and Sediment Control. Following completion of the construction of the planned community, the volume, rate, and direction; treatment, detention, and retention; quality maintenance, reclamation, and restoration; absorption, drainage, and discharge of stormwater may be controlled by post construction stormwater management best management practices ("PCSM BMPs") in accordance with one or more plans or documents, which may include a post construction stormwater management plan, an operation and maintenance agreement and the recorded declaration of the planned community. PCSM BMPs may be located, in whole or in part, on individual properties, including on the Property being purchased by Homebuyer. Such documents are of record in the Office of the Recorder of Deeds and are contained within the Property Documents for the planned community, which Homebuyer has received as set forth in the New Home Purchase Agreement. By signing below, Homebuyer acknowledges that Homebuyer has received the Property Documents for the planned community, which includes information regarding the operation and maintenance of any PCSM BMPs in the planned community, including on the Property being purchased by Homebuyer. Homebuyer is encouraged to review the Property Documents to determine what obligations Homebuyer may have with respect to PCSM BMPs.

2. **Statutory Warranty.** Notwithstanding anything to the contrary in the New Home Purchase Agreement, Builder hereby provides Homebuyer with the warranties against structural defects contained in Section 5411(b) of the Pennsylvania Uniform Planned Community Act.. Nothing herein shall be construed to make the Builder responsible for any items of maintenance relating to the Property purchased by Homebuyer.

In the event of any conflict between the provisions of the New Home Purchase Agreement of which this Addendum is a part and this Addendum, the provisions of this Addendum shall control.

Except as supplemented or modified by this Addendum, all other terms and conditions of the New Home Purchase Agreement remain unchanged and in full force and effect.

This Addendum is not binding on the Builder until ratified by the President, a Vice President or the Director of Sales of _____.

_____ HOMEBUYER	_____, a Pennsylvania corporation
_____ HOMEBUYER	By _____ Neighborhood Sales Manager Assistant Vice President
	Ratified by _____ President, Vice President or Director of Sales

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

BUILDER HOMESITE IDENTIFICATION: _____

DATE _____

AGREEMENT DATE:

HOMEBUYER:

BUILDER:

PROPERTY:

Unit (Lot) _____

ADDRESS:

It may be necessary for you to obtain title insurance and closing services for the purchase of your new home. You have the opportunity to arrange for closing and title insurance through Regent Settlements, L.P.

The purpose of this Affiliated Business Arrangement Disclosure is to give you notice that Charter Homes Building Company, an affiliate of the Builder, has an indirect business relationship with Regent Settlements, L.P., as follows:

- 65.5% indirect ownership interest in Regent Settlements, L.P.

Because of this relationship, this referral may provide the principals and affiliates of Builder a financial or other benefit.

Set forth below is the estimated charge or range of charges by Regent Settlements, L.P. You are NOT required to use the listed provider as a condition for closing of your loan on or purchase, sale, or refinancing of the subject property. THERE ARE FREQUENTLY OTHER CLOSING SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Regent Settlements, L.P. Fees:

Endorsements: \$150 - \$200

Deed Preparation: \$125 (Applicable in Lancaster County)

Title Insurance Premium: Based on amount of transaction

Acknowledgment:

I/we have read and understood the above-stated disclosure and understand that Builder is referring me/us to purchase the above-described closing services(s) and Builder's owners or affiliates may receive a financial or other benefit as the result of this referral.

HOMEBUYER

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