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c/o FIRST CITY COMPANY
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78688 DRE Certified
13-Aug-2012 08:44AM Ent By: B K

AMENDED AND RESTATED DECLARATION
THE VILLAGE AT SWEETWATER, a Planned Community

ARTICLE I
SUBMISSION; DEFINED TERMS

Section 1.1 Declarant; Property; County; Name. Village at Sweetwater Associates ("Declarant"), a Joint Venture governed in part by the Pennsylvania Uniform Partnership Act, owner in fee simple of the Real Estate described on Exhibit "A", attached hereto and incorporated herein by reference, located in the Borough of Sewickley, Allegheny County, Pennsylvania, hereby submits the Real Estate, including all easements, rights and appurtenances thereunto belonging, the improvements erected or to be erected thereon and the Buildings to be erected thereon (collectively, the "Property") to the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. §5101 *et seq.* (the "Act"), and hereby creates with respect to the Property a planned community, to be known as "The Village at Sweetwater" (the "Community").

Section 1.2 Easements and Licenses. Included among the easements, rights and appurtenances referred to in Section 1.1 above are those recorded easements and licenses, affecting the Real Estate, which are listed on Exhibit "B", attached hereto and incorporated herein by reference, and all easements referenced in Article IV herein.

Section 1.3 Defined Terms.

1.3.1 Capitalized terms not otherwise defined herein shall have the meanings specified or used in the Act.

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

- a. Intentionally Deleted.
- b. "Association" means the Unit Owners' Association of the Community and shall be known as the "The Village at Sweetwater Homeowners Association."
- c. "Common Elements" means all real estate within the Community which is owned by or leased to the Association, but not including any Units. Common Elements in the Community include, but are not limited to: those portions of the Real Estate located between the Clusters which are not part of a Unit and which serve the adjacent Clusters having rear driveways; the entranceway, including an identification monument, if any, located thereon; Community Walkways; Community Lighting; Community Roadways; and a rain garden/bio-retention facility, all as shown on the Plats and Plans. The Common Elements are discussed more completely in Article III hereof.
- d. "Common Expenses" means expenditures made and financial liabilities incurred by the Association, together with all allocations to reserves.

e. "Declarant" means the Declarant described in Section 1.1 above and all successors to any Special Declarant Rights, as herein defined and as defined in the Act.

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

g. "Executive Board" means the Board of Directors of the Association.

h. "Identifying Number" means the number assigned to the Unit for address and other purposes, which shall be unique for each Unit in the Community. The Identifying Numbers are set forth on Exhibit "C", attached hereto and incorporated herein.

i. "Limited Common Elements" means those entranceways and aisleways serving Clusters with rear driveways. Costs of maintaining, replacing, repairing, improving, regulating, managing, insuring and controlling the Limited Common Elements will be a Limited Common Expense of the Association as hereinafter set forth. The Limited Common Elements are discussed more completely in Article III hereof.

j. "Limited Common Expenses" means those Common Expenses, together with allocations to reserves, for maintaining, replacing and repairing the Limited Common Elements of the Community.

k. "Unit" means that portion of the Community designated for separate ownership or occupancy for which an occupancy permit has been issued, the boundaries of which are described in this Declaration and in the Plats and Plans.

l. "Unit Owner" means Declarant or such other person(s) or entity(ies) which holds title to one or more Units in the Community. The term does not include a person(s) or entity(ies) having an interest in a Unit solely as security for an obligation.

1.3.3 The following terms when used herein shall have the meanings set forth below:

a. "Building(s)" means any building(s) either i) Cluster constructed and containing between 5 and 6 Units; or ii) a building constructed on the Common Elements by or at the direction of the Declarant and/or the Association and included or to be included in the Property.

b. "Bylaws" means the Bylaws of the Association in effect at any time, as the same may be amended from time to time.

c. "Cluster" means a Building containing between 6 and 7 Units.

d. "Community" means the Community described in Section 1.1 above.

e. "Community Lighting" means the lighting poles, wires, bulbs and related equipment providing lighting along the Community Roadways and to the Common Elements.

- f. "Community Roadways" means those roads traversing the Community and connecting to public streets.
- g. "Community Walkways" means those sidewalks adjacent to the Community Roadways and/or providing access to the Common Elements and Units.
- h. Intentionally Deleted.
- i. "Member" means a member of the Association.
- j. "Percentage Interest" means the undivided ownership interest of each Unit Owner in the Common Elements appurtenant to each Unit, as set forth in Exhibit "C", attached hereto and incorporated herein by reference.
- k. "Permitted Mortgage" means a mortgage to a bank, trust company, savings bank, savings and loan association, mortgage banker, insurance company, pension fund or similar lender or a purchase money mortgage to Declarant or a Unit Seller.
- l. "Plats and Plans" means the Plats and Plans attached hereto as Exhibit "D" and incorporated herein by reference, as the same may be amended from time to time.
- m. "Property" means the Property described in Section 1.1 above.
- n. "Rules and Regulations" means the Rules and Regulations adopted by the Association from time to time and governing the Property.
- o. "Unit Owner" means the owner of any Unit in the Community, including the Declarant as to Units which have been declared. A Unit Owner shall be bound by the terms of this Declaration applicable to such Property, and shall automatically become, upon becoming a Unit Owner, a member of the Association.

ARTICLE II
ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND
COMMON EXPENSE LIABILITIES; UNIT IDENTIFICATION AND BOUNDARIES;
MAINTENANCE RESPONSIBILITIES; VOTING RIGHTS; UNITS THAT NEED NOT BE
BUILT

Section 2.1 Percentage Interests/Voting Rights.

2.1.1 Each Unit Owner shall have a Percentage Interest in the Common Elements which shall be the same as the Percentage Interest for all other Unit Owners. The Percentage Interest is shown on Exhibit "C", which may change from time to time in accordance with the following formula: $1 \text{ divided by } A = B$ where A is the number of Units in the Community and B is the Percentage Interest.

2.1.2 Exhibit "C" is a list of all Units, now constructed or which may be hereafter constructed, and the Percentage Interest appurtenant to each Unit, determined by dividing the number one (1) by the aggregate number of all Units. The Percentage Interest shall determine the share of the Common Expenses of the applicable Unit. The Percentage Interests of all of the Units are subject to adjustment in the event that any Units are converted to Common Elements or the relocation of boundaries between Units and subdivision or conversion of Units pursuant to Section 2.5. The Percentage Interests reflected on Exhibit "C" to this Declaration were prepared on the basis that all Seventeen (17) Units will be constructed and will remain Units. However, because Declarant has reserved the right, under Section 2.1.3 hereof, to not construct one or more of the Buildings or Units (as reflected on the Plats and Plans as "NEED NOT BE BUILT"), including the Units to be situated therein, and to convert such Units and Buildings into Common Elements, the total number of Units will, in the event Declarant exercises such right, be reduced, thereby proportionately increasing the Percentage Interest of the remaining Units (including any Units subsequently constructed). In any such event, the Percentage Interest of each of the Units shall be adjusted by dividing the number one (1) by the aggregate number of all Units after any such event. **FURTHER, UNTIL UNITS ARE ACTUALLY CONSTRUCTED AND COMPLETED, AS EVIDENCED BY A CERTIFICATE OF COMPLETION BY AN INDEPENDENT REGISTERED SURVEYOR, ARCHITECT OR PROFESSIONAL ENGINEER, THE PERCENTAGE INTEREST OF A UNIT WHICH IS COMPLETED AND FOR WHICH A CERTIFICATE OF SUBSTANTIAL COMPLETION HAS BEEN RECORDED, INCLUDING ITS PERCENTAGE OF THE COMMON EXPENSES, WILL BE GREATER THAN AS REFLECTED ON EXHIBIT "C" TO THE DECLARATION; THE PERCENTAGE INTEREST OF EACH COMPLETED UNIT WILL BE DETERMINED FROM TIME TO TIME BY DIVIDING THE NUMBER ONE (1) BY THE TOTAL NUMBER OF SUCH COMPLETED UNITS AT SUCH TIME.**

2.1.3 Until either (i) a Unit is completed and a Certificate of Substantial Completion is recorded or (ii) Declarant elects not to construct a Building or a Unit, whichever first occurs, and notwithstanding anything to the contrary contained in the By-Laws or this Declaration, Declarant shall only be liable for real estate taxes assessed against the real estate upon which such Buildings and Units may be constructed (as shown on the Plats and Plans) and other expenses in connection with that real estate, but Declarant shall not be liable for any Common Expenses, Limited Common Expenses or other assessments for Units reserved to be built but not completed (until recording by Declarant of Certificate of Substantial Completion for such Units).

2.1.4 Except as otherwise provided herein or in the Bylaws, such Percentage Interest shall not be altered except by the Declarant, or by the recording of an amended Declaration duly executed by all of the Unit Owners affected thereby. (For purposes of this subparagraph "all of the Unit Owners affected thereby" means only all Unit Owners at the time of said amendment to this Declaration and which may include Declarant as to unsold Units).

Section 2.2 Voting Rights. Each Unit shall have a single vote in the Association. There shall be no cumulative or class voting.

Section 2.3 Unit Boundaries. The title lines or boundaries of each Unit are situated as shown, or to be shown, on the Plats and Plans. The interior boundaries of the Unit within its particular Cluster are more particularly described as follows:

2.3.1 Upper and Lower (Horizontal) Boundaries: There are no upper and lower horizontal boundaries for the Unit.

2.3.2 Vertical Boundaries: The vertical boundaries of the Units are the lot lines as shown on the Plats and Plans.

2.3.3. Each Unit shall include all spaces, interior portions, structures, fixtures and improvements within the boundaries as described in Section 3202 of the Act.

Section 2.4 Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of §5307 of the Act, except as expressly set forth to the contrary herein.

2.4.1 The Association shall be responsible for the exterior maintenance, repair and replacement of the roofs, roof drain collectors, soffit, fascia, gutters and siding of the Units, the Community Walkways, Community Lighting, Community Roadways, rain garden/bio-retention facility, and the lawns and all landscaping on a Unit, the repair of any utility lines serving a Cluster and for all maintenance, repair and replacement of the Common Elements. The Unit Owner shall be responsible for all interior work and all other exterior work, washing the exterior of the windows of the Unit, and ordinary maintenance, repair and replacement of the patio (if any), doorstep, air conditioner condenser, and sidewalk and driveway. The Association shall have the right to determine when exterior painting is required, and to establish those colors which can be used for painting the exterior of any Unit.

2.4.2 Each Unit Owner, in addition to those items referenced in Section 2.4.1, shall be responsible for all interior maintenance of his or her Unit and other portions of the Unit identified in the description of the Unit's boundaries.

2.4.3 Notwithstanding the foregoing, if any maintenance, repair or replacement of a Common Element or exterior of a Unit or any other portion of the Unit required to be maintained, repaired or replaced by the Association is necessitated by the negligent or intentional act of the Unit Owner or anyone in the Community at the invitation of the Unit Owner, the cost shall be borne solely by that Unit Owner.

2.4.4 If a Unit Owner shall fail to make a repair or perform necessary maintenance on his or her Unit or effect a replacement of any part thereof as required herein or to paint the exterior of his/her Unit as directed by the Association, within fifteen (15) days of receipt of written notice from the Executive Board demanding the same, or for any work required under Section 2.4.3 to be performed at the expense of the Unit Owner, then the Association shall perform such work and the

cost of such repair and/or replacement shall be the responsibility of the Unit Owner, and shall be assessed as a special assessment against that Unit Owner.

Section 2.5 Relocation of Unit Boundaries; Subdivision and Conversion of Units. The Declarant reserves the right to relocate boundaries between Units, and to combine Units at any time prior to the sale of all Units. Relocation of boundaries between Units and subdivision or conversion of Units will be permitted subject to compliance with the provisions therefor in §§5214 and 5215 of the Act. Subdivision or conversion of Units by the Declarant pursuant to §5215 of the Act may not result in fewer than fifteen (15) Units, nor more than Nineteen (19) Units total.

Section 2.6 Insurance.

2.6.1 Commencing not later than the time of the first conveyance of a Unit to a Unit Owner, the Association shall maintain, to the extent reasonably available, all of the following coverages, the cost of which shall be assessed as Common Expenses, as limited below:

a. Property insurance on the Common Elements, insuring against all common risks of direct physical loss. The total amount of insurance after application of any deductibles shall be not less than one hundred (100%) percent of the replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from property policies (assessed against Units containing a residence occupied at least once).

b. Comprehensive general liability insurance, including medical payments, in an amount determined by the Executive Board but not less than \$2,000,000.00 covering all occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership or maintenance of the Common Elements (assessed against all Units).

c. Directors and Officers Liability Insurance insuring the directors and officers of the Association from liability for their acts and omission related to their service as officers and directors of the Association unless such action or inaction is determined to have constituted willful misconduct, self-dealing or recklessness. The coverage amount will be \$250,000 per director and/or officer unless the Board of Directors, after consultation with an insurance agent, determines another coverage amount should be obtained. Costs of this will be assessed against all Units.

2.6.2 The Unit Owner shall maintain the following insurance on his or her Unit:

a. Property insurance insuring against all common risks of direct physical loss. The total amount of insurance after application of any deductibles shall be not less than one hundred (100%) percent of the replacement cost of the insured property, including excavations, foundations and other items normally included in property policies.

b. Comprehensive general liability insurance, including medical payments, in an amount determined by the Executive Board but not less than \$1,000,000.00 covering all

occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership or maintenance of the Unit.

2.6.3 Any portion of the Community for which insurance is required to be maintained by the Association by this Declaration and which is damaged or destroyed shall be repaired or replaced promptly by the Association unless:

- a. The Community is terminated;
- b. Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
- c. 80% of the Unit Owners vote not to rebuild.

The cost of repair or replacement of those portions in excess of insurance proceeds and reserves is a Common Expense.

2.6.4 Any portion of the Community for which insurance is required to be retained by the Unit Owner by this Declaration and which is damaged or destroyed shall be repaired or replaced promptly by the Unit Owner unless:

- a. The Community is terminated;
- b. Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
- c. The Unit Owner(s) affected elect not to rebuild, in which case such Unit Owner shall be required, within sixty (60) days of the event causing the damage or destruction, to reclaim the Unit to a natural state, including reseeding the land and removing all elements of damage. The failure to rebuild improvements on a Unit shall not relieve that Unit Owner from continued liability for Common Expenses thereafter.

The cost of repair or replacement of these portions of the Units in excess of insurance proceeds is the Unit Owner's expense. The Unit Owner's insurance shall list the Association as an additional insured and shall provide that the insurance may not be canceled until thirty (30) days after notice of the proposed cancellation has been sent to the Association. Each Unit Owner shall provide a certificate of insurance evidencing the required insurance coverage hereunder to the Association on a yearly basis. If the Unit Owner does not promptly repair or replace the Unit or reclaim the Unit to a natural state within the time specified above, the Association may demand that the proceeds of the insurance be paid to the Association to enable it to perform such work.

ARTICLE III
DESCRIPTION, ALLOCATION OF COMMON ELEMENTS
AND LIMITED COMMON ELEMENTS

Section 3.1. Limited Common Elements. The Limited Common Elements shall mean and include:

3.1.1. All plumbing fixtures servicing one (1) or more but less than all Units and located partially within and partially outside the designated title lines of such Unit(s) served, or serving a single Cluster and located partially within and partially outside the designated title lines of the Units within that Cluster.

3.1.2. All electrical equipment and wiring serving one (1) or more but less than all Units and located partially inside and partially outside the designated title lines of such Unit(s) served, or serving a single Cluster and located partially within and partially outside the designated title lines of the Units within that Cluster.

3.1.3. The air conditioning, heating and ventilating ducts and compressor serving one (1) or more but less than all Units and located partially inside and partially outside the designated title lines of such Unit(s) served, or serving a single Cluster and located partially within and partially outside the designated title lines of the Units within that Cluster.

3.1.4. The fresh water pipes, discharge pipes and all other plumbing, pipes and conduits serving one (1) or more but less than all Units and located partially within and partially outside the title lines of such Unit(s) served, or serving a single Cluster and located partially within and partially outside the designated title lines of the Units within that Cluster.

3.1.5. All other parts of each Cluster and its equipment, including any chutes, flues, ducts, wire, conduits, bearing walls, bearing columns or any other fixtures serving one (1) or more but less than all Units and located partially within and partially outside the designated title lines of such Unit(s) served, or serving a single Cluster and located partially within and partially outside the designated title lines of the Units within that Cluster.

3.1.6. The entranceway to and aisleway between all rear-entry garages in each Cluster having rear entry garages.

Section 3.2. Common Elements, Percentage Interest of Unit Owners. The Common Elements shall mean and include:

3.2.1. The land not included within the Units.

3.2.2. The rain garden/bio-retention facility, Community lighting, Community Walkways not included within the Units and Community Roadways serving the Community.

3.2.3. Portions of the Land and Buildings used exclusively for the management, operation or maintenance of the Common Elements.

3.2.4. The entranceway and an identification monument, if any, located thereon, as shown on the Plats and Plans.

3.2.5. Installations of all central services and utilities and water, sewer, electric, telephone and other utility lines, pipes, fixtures, meters and associated equipment which serve the Common Elements.

3.2.6. Intentionally Deleted

3.2.7. All portions or other parts or elements of the Property necessary or convenient to the Property's existence, management, operation, maintenance of the Common Elements and safety, or in common use and which are not herein or in the Plats and Plans made a part of a Unit or designated as Limited Common Elements, and such facilities as are designed herein and in the Bylaws as Common Elements.

3.2.8. Common Elements lighting, signage and landscaping.

3.2.9. All other apparatus and installations existing for common use.

Section 3.3. Common Expenses. Each Unit Owner shall be liable for a share of the Common Expenses, as defined herein, consistent with the Unit's Percentage Interest and the provisions of this Declaration. Common Expenses shall be defined as:

3.3.1. Expenses of administration, utility bills for the Common Elements and Limited Common Elements, maintenance, repair and replacement of the Common Elements and Limited Common Elements, including landscaping (assessed against Units containing a residence occupied at least once);

3.3.2. Expenses agreed upon as common by 67% of the Unit Owners (assessed against Units as benefit is derived);

3.3.3. Expenses declared common by the provisions of the Act, or by this Declaration or the Bylaws or any rules and regulations adopted by the Association (assessed against Units as benefit is derived);

3.3.4. Insurance premiums for any insurance coverage as set forth in this Declaration, the Public Offering Statement, the Bylaws and any Rules and Regulations of the Association shall be a Common Expense to be paid by monthly assessments levied by the Association (assessed as noted above);

3.3.5. Reserves for repair or replacement (assessed against Units containing a residence occupied at least once);

3.3.6. Costs of maintaining the Community Walkways; and

ARTICLE IV EASEMENTS

Section 4.1 Additional Easements. In addition to and in supplementation of the easements provided for by §§5216, 5217 and 5218 of the Act and as set forth on Exhibit "B", the following easements are hereby created:

4.1.1 Offices and Models. Declarant reserves the right to place one or more management offices and sales offices on any portion of the Common Elements, and/or on any Unit owned by Declarant, in such manner, of such size and in such locations as Declarant deems appropriate. Declarant or its assignee may from time to time relocate models, management offices and sales offices to different locations within the Common Elements. Declarant shall have the right to remove any such models, management offices and/or sales offices from the Common Elements and/or Units at any time up to thirty (30) days after Declarant or its assignee, as appropriate, ceases to be a Unit Owner.

4.1.2 Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant or its assigns, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 4.1.2 shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines and equipment servicing the same, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 4.1.2, unless approved in writing by the Unit Owner(s) affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the buildable area of a Unit or the use or occupancy of the Unit by its owner.

4.1.3 Declarant's Easement to Correct Drainage. Declarant reserves, for itself and its assigns, an easement on, over and under the Common Elements and portions of any Unit not within the buildable space for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 4.1.3 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which Declarant, or its assigns, shall restore the affected property as close to its original condition as practicable.

4.1.4 Easements for Encroachment. To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, a valid easement for the encroachment exists. To the extent that storm water from a Unit is directed or collected into a receptor in

another Unit or Common Element, including gutters and downspouts, a valid easement for the storm water exists.

4.1.5. Easement for Use of Common Elements. Each Unit Owner and his or her lessee are hereby granted a non-exclusive perpetual right and easement of access to and enjoyment in common with others of the amenities and recreational facilities constituting the Common Elements of the Community. The rights and easements of access and enjoyment created hereby shall be subject to the right of the Association to adopt Rules and Regulations governing the use of the Common Elements, including a rule setting fees for such use.

4.1.6. Easements for Pedestrian and Vehicular Traffic. The Common Elements shall be, and are hereby made subject to, an easement in favor of the Unit Owners and their invitees, tenants and servants, the Executive Board and the agents and employees of the Executive Board (i) for pedestrian traffic on, over, through and across sidewalks as the same may from time to time exist, and (ii) for pedestrian and vehicular traffic on, over, through and across such portions of the Common Elements as may be from time to time paved and intended for such purposes.

4.1.7. Easements for Maintenance and Repair. The Common Elements shall be and are hereby made subject to the following easements (in addition to any other easements set forth herein) in favor of any Unit or Units for which such easements are necessary: (a) for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and cable television lines and all of the utility lines and conduits which are part of the Unit and which pass across or through a portion of the Common Elements; and (b) in favor of the Executive Board for inspection of the Units for the purpose of verifying performance by Unit Owners of all items of maintenance and repair for which they are responsible, for inspection and maintenance of the Common Elements situated in and or accessible from such Unit, for correction of emergency conditions in each Unit or casualties to such Common Elements and/or Units and for any of the purposes set forth herein. The Executive Board shall take reasonable steps to minimize the interference with the Unit Owners use of his or her Unit resulting from the Association's exercise of rights granted to it pursuant to this Section or any other provision of this Declaration; and (c) in favor of the Common Elements benefited, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and cable television lines and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of a Unit or Units.

4.1.8. Easement for Support. To the extent necessary, each Unit shall have an easement for structural support over the Common Elements and over every other Unit in the same Cluster and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit and each Cluster.

4.1.9. Easement for Party Walls. For those adjacent Units constructed in a Cluster, the owners of adjoining Units in the same Cluster shall have the continued use of the party walls between the those adjacent Units for the benefit and support of their Units; provided, however, that such use shall not injure any adjoining Unit or the Building constructed thereon and shall not impair the party wall benefits and support to which such adjoining Unit is entitled. This easement for party walls shall include the right of any Unit to affect such party wall as necessary: (a) for the installation, repair, maintenance, use, removal and/or replacement of any recess cabinet in the

bathroom of such Unit; and (b) for the installation, repair, maintenance, use, removal and/or replacement of lighting, fixtures, electrical receptacles and the like which are located in a portion of the party wall; provided that, the installation, repair, maintenance, use, removal or replacement of such recess cabinet, fixtures, receptacles and the like will not interfere with any part of the adjacent Unit or impair or structurally weaken the Cluster or adjacent Unit; and (c) for driving and removing nails, screws and bolts into the party walls; providing, that such action will not unreasonably interfere with the use of any part of the adjacent Unit or impair or structurally weaken the Cluster or adjacent Unit; and (d) for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and cable television lines and all of the utility lines and conduits which are part of the Unit and which pass across or through a portion of the party walls

4.1.10. Easement for Plumbing. The owners of adjoining Units shall have the continued use of plumbing lines and conduits traversing in the ground belonging to their respective Units in the same Cluster.

4.1.11 Easement for Driveways. Each of the Unit Owners sharing a common entranceway and/or aisleway to a rear driveway shall have an easement to use that entranceway and/or aisleway, provided that no Unit Owner sharing such entranceway and/or aisleway may interfere with the use of the driveway, entranceway and/or aisleway by the other Unit Owner(s) sharing such entranceway and/or aisleway.

4.1.12 Miscellaneous.

a. All easements and rights described and mentioned in this Declaration are easements appurtenant, running with the Property, Units and Common Elements, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon Declarant, its successors and assigns, the Executive Board, and Unit Owner, purchaser, mortgagee and any other person having an interest in said Property, Units, Common Elements or any portion thereof.

b. The Units and the Common Elements shall be, and are hereby made subject to easements in favor of Declarant or its designee to come upon the Property for the purpose of tying into and using any and all present easements and utilities on the Property to favor other property owned by the Declarant or its designee and including herein the right specifically, but without limiting the generality of the above, of the Declarant or its designee, to use and tie into the gas, sewer, electric, cable television, water and storm sewer lines presently or soon to be on the Property hereby described.

ARTICLE V AMENDMENT OF DECLARATION

Section 5.1 Amendment Generally. This Declaration may be amended only in accordance with the procedures specified in §5219 of the Act, the other Sections of the Act referred to in §5219 thereof and the express provisions of this Declaration. Notwithstanding any such procedures, any amendment of the Declaration affecting the rights of Unit Owners shall require the approval of sixty-seven percent (67%) of the Unit Owners.

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

ARTICLE VI USE RESTRICTIONS

Section 6.1 Use and Occupancy of Units and Common Elements. The construction on Units, and the occupancy and use of the Units on which construction has been completed, and the occupancy and use of Common Elements shall be subject to the following restrictions, covenants, rules and regulations of the Association and the Bylaws, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, which may be amended from time to time by the Executive Board, subject to the right of the Association to change such rules and regulations. Copies of the then current rules and regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such rules and regulations or any amendments thereto. Initial Rules and Regulations are as follows:

6.1.1 No part of the Property shall be used for anything other than housing for residential purposes for which the Property was designated except as otherwise provided.

6.1.2 No structure, building or improvement may be constructed on the Common Elements except as is or will be consistent with the use of the Common Elements for the recreation and enjoyment of the members of the Association. The Common Elements may not be subdivided or developed for any use inconsistent with this Declaration. The Association shall not have the right to sell, assign or transfer any rights in the Common Elements.

6.1.3 No structure may be erected or maintained on any Unit other than an attached townhouse which is part of a Cluster and its appurtenant garage. Swimming pools, whether above or in-ground, are prohibited. Notwithstanding the foregoing, the Declarant or its assigns may erect and maintain model, sample or display homes, real estate offices and real estate advertising displays and devices on any Units.

6.1.4 No Unit Owner shall permit his or her Unit to be used or occupied for any prohibited purposes.

6.1.5 Except as reserved by the Declarant, its successors and assigns, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any part of the Property which would require employee or customer parking or any amenities which a business open to the public would typically require.

6.1.6 Except as to the Declarant and its assigns, no signs, advertising or other displays shall be maintained or permitted on any part of the Property, with the exception of political signs during an election period, so long as the same are removed within three (3) days after the election and are not installed sooner than twenty-one (21) days before the election. The right is reserved by the Declarant or its agent or agents to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units, and on any part of the Common Elements. A Unit Owner attempting to sell his or her Unit may place a "For Sale" sign outside his or her Unit which is no larger than permitted under local zoning ordinances.

6.1.7 No Unit shall be altered until the Unit plans, home designs, blue prints, specifications and plot plan showing the location of the Unit shall have been reviewed as to the conformity and harmony of the Unit to the other external structures on the Property and with respect to topography and finished ground elevation, and approved in writing by a committee comprised of the Executive Board, or by a representative designated by a majority of the members of said committee. Such approval shall not constitute a warranty, express or implied, as to the Unit. In the event of death, or resignation of any member of the above-mentioned committee, the remaining member or members shall have full authority to approve or disapprove such design and location or to designate a representative with like authority. In the event said committee or its designated representative fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it and if no suit to enjoin the alteration of such Building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. Neither the members of such committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The powers and duties of such committee and of its designated representative shall cease on the earlier of seven years from the date hereof or the date all Units are owned by Unit Owners other than Declarant; provided, however, that the Declarant may request the Executive Board at any time to appoint a committee, or itself serve as such committee, to be a successor to the committee appointed by the Declarant, and upon appointment of such committee by the Executive Board, a written instrument shall be duly recorded evidencing the transfer of responsibility for such review to the Association.

6.1.8 No trailer or tent shall be placed on any Unit, other than trailers placed on the Property by Declarant or its agents during the period when construction is occurring in the Community. No shed or storage building may be erected on any Unit. No structure other than the Building shall be erected on any Unit nearer to a street on which said Unit abuts than the nearest wall of the Building erected thereon.

6.1.9 There shall be no obstruction of the Common Elements, nor shall anything or any structure be stored in or on the Common Elements, except as herein expressly provided, and

other than obstructions created or placed by Declarant or its agents during the period when construction is occurring in the Community.

6.1.10 No fence shall be erected on any Unit.

6.1.11 Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Property or contents thereof, applicable for residential use, without the prior written consent of the Executive Board.

6.1.12 No Unit Owner shall permit anything to be done or kept in the Unit, or in the Common Elements which will violate any law, statute, ordinance or regulations of any governmental body or which will result in the cancellation of any insurance maintained by the Unit Owner or the Executive Board. No waste shall be committed in the Common Elements.

6.1.13 No obnoxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or legal occupants of a Unit.

6.1.14 No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any portion of the Property, including any Unit and any part of the Common Elements. The Common Elements and Units shall be kept free and clear of rubbish, debris and other unsightly materials.

6.1.15 No Unit Owner, nor anyone in a Unit with the permission of the Unit Owner, shall operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Executive Board, an unreasonable disturbance to others.

6.1.16 The walks and entrances to the Units, and all of the Common Elements must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from a Unit or the Common Elements.

6.1.17 No radio or television aerial, antenna, wiring and/or satellite dish greater than one meter in diameter shall be installed on any Unit without the written consent of the Executive Board. No radio or television aerial, antenna, wiring and/or satellite dish shall be located on the front of a Unit. The Association may remove, without notice, any aerial, antenna, wiring and/or satellite dish erected or installed in violation of this Declaration and/or the Rules and Regulations. The Unit Owner for whose benefit the installation was made will be liable for the total cost of removal of such aerial, antenna, wiring and/or satellite dish.

6.1.18 No improvements, such as hot tubs, jacuzzis, etc., may be affixed to or installed on the exterior of any Unit without prior written consent of the Executive Board.

6.1.19 No commercial trucks, commercial trailers or commercial vans may be parked in the Community for more than the time required to make a delivery or pick-up from a Unit. Motorcycles and recreational vehicles may be parked in Unit garages, but may not be parked in

outdoor areas of the Community for more than two (2) consecutive hours or four (4) total hours in any twenty-four (24) hour period. Only minor repairs taking less than twenty-four (24) hours, may be made to automobiles, recreational vehicles or motorcycles in any of the driveways of a Unit, and the owner of such Unit shall be responsible for any damage done to Common Elements as a result of any such repair work.

6.1.20 The Association and each member thereof, the Executive Board and the Declarant, for so long as it shall own one or more Units, shall have the right to prosecute any person violating or attempting to violate these use restrictions at a proceeding at law or in equity to prevent such violation or continuation of such violation.

6.1.21 The Executive Board shall have the right and authority to waive, change, alter, add to or modify any of the use restrictions contained in those paragraphs of this Section 6.1 over which it has authority in respect to all of the said Units or in respect to any one or more of said Units, provided (a) such waiver, change, alteration, addition or modification shall be made or granted prior to the earlier of seven years from the date hereof or the ownership of all units by Unit Owners and (b) such waiver, change, alteration, addition or modification shall be in writing setting forth the conditions and limitations pursuant to which it has been approved.

6.1.22 All Units shall be maintained in good condition.

6.1.23 No Unit Owner shall permit any dumping to occur on his or her Unit.

6.1.24 No Unit Owner shall permit any unlicensed and/or uninsured vehicle to be stored on his or her Unit unless it is stored at all times in the Unit Owner's garage.

6.1.25 If a Unit or any portion thereof or any of the Common Elements is damaged or destroyed by fire or other calamity and the Unit Owner and/or Association, as appropriate, is not required to rebuild the same under the Act or the rules and regulations of the Association, the Unit Owner or Association, as appropriate, shall be required to remove the damaged area and restore the land to its pre-construction condition to the extent possible.

6.1.26 Only household domestic pets, such as cats, dogs, song birds and fish in aquariums, not bred or maintained for commercial purposes will be permitted in a Unit and on the Property; provided that no more than two (2) such non-aquatic pets are permitted per Unit. In no event shall any pet be permitted in any outside area to run freely and all such pets must be kept on a leash (no longer than six feet in length) and under supervision at all times. In no event shall any pet be permitted to be chained, tied or otherwise restrained to any portion of the Common Elements. No lines, chains, doghouse or other pet shelters shall be permitted on any Unit and/or portion of the Common Elements. All pets must be properly licensed and vaccinated. No Unit owner shall permit his animal to disturb any other Unit Owner. If any pet becomes a nuisance to any of the Unit Owners, then upon written application to the Executive Board by any Member of the Association, a hearing shall be held and, if a majority of the Executive Board shall so vote, the Unit Owner shall be required to remove the pet permanently from the Property within fifteen (15) days after written notice of the decision of the Executive Board, if so ordered. . No chickens, ducks, geese, turkeys, pigs, other farm animals, snakes and

other reptiles and/or insects such as bees may be kept on the Property. Pet waste deposited anywhere in the Community must be disposed of immediately and properly.

6.1.27 Only mailboxes, newspaper receptacles, house numbers and lampposts approved by the Executive Board as to aesthetics and location may be installed on a Unit.

6.1.28 Only white or off-white draperies, sheers or mini-blinds may be visible in any window from the exterior of the Unit.

6.1.29 The Association and each Member thereof, the Executive Board and the Declarant, for so long as it shall own one or more Units, shall have the right to prosecute any person violating or attempting to violate these use restrictions within the Property at a proceeding at law or in equity to prevent such violation or continuation of such violation.

6.1.30 The Executive Board shall have the right and authority to waive, change, alter, add to or modify any of the use restrictions contained in those paragraphs of this Section 6.1 over which it has authority in respect to all of the said Units or in respect to any one or more of said Units, provided such waiver, change, alteration, addition or modification shall be in writing setting forth the conditions and limitations pursuant to which it has been approved.

6.1.31 If a Unit and/or any portion thereof or any of the Common Elements are damaged or destroyed by fire or other casualty and the Unit Owner and/or Association, as appropriate, is not required to rebuild the same under the Act or the rules and regulations of the Association, the Unit Owner or Association, as appropriate, shall be required to remove the damaged area and restore the land to its pre-construction condition to the extent possible.

Section 6.2 Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration and Bylaws, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Executive Board, subject to the right of the Association to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such Rules and Regulations or any amendments thereto.

ARTICLE VII LEASING

Section 7.1 A Unit Owner may lease a Unit (but not less than the entire Unit) at any time and from time to time provided that (except for a lease made by (i) Declarant or (ii) a mortgagee which is either in possession or is a purchaser at judicial sale): (1) no Unit may be leased for transient or hotel purposes or for an initial term of less than one (1) year; (2) no Unit may be leased without a written lease; (3) a copy of such lease shall be furnished to the Executive Board within ten (10) days after execution thereof, but in any event prior to occupancy of the Unit under said lease; and (4) the rights of any lessee of a Unit shall be subject to, and each such lessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations, and a default thereunder shall constitute a default under the

lease; provided, however, that the foregoing shall not impose any direct liability on any lessee of a Unit to pay any Common Expense assessments on behalf of the Owner of that Unit. The tenant under a lease with Declarant and/or a Unit Owner may sublease that portion of the Community subject of his or her lease subject to these same conditions, rights and obligations.

ARTICLE VIII
BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 8.1 Common Expenses. Common Expenses shall be assessed against all Unit Owners, in accordance with their Percentage Interests, subject to the restrictions noted above.

Section 8.2 Monthly Payments. All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be assessed annually but shall be payable in equal monthly installments in advance on the first day of each month, or in such other periodic payments as the Executive Board shall elect. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

Section 8.3 Reserve Fund. A Reserve Fund shall be created by the collection, at closing on each sale of a Unit of a capital contribution in an amount determined by the Executive Board. The initial capital contribution may not be increased by the Executive Board by more than ten percent (10%) from the amount collected in the prior year. Additions to the Reserve Fund shall be assessed in such amounts and at such times as are determined by the Executive Board against all Units containing residences which have been occupied at least once.

Section 8.4 Priority of Lien. Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to §§5302(a)(10), (11) and (12) of the Act, shall be a lien on the Unit, having priority as provided in §5315(b) of the Act.

Section 8.5 Surplus. Any amounts accumulated from assessments for Common Expenses and income from the operation of the Common Elements to which such Common Expenses pertain in excess of the amount required for actual Common Expenses may be held by the Association as reserves for future Common Expenses.

Section 8.6 Assignment of Income Rights. The Association may assign its rights to future income, including payments made on account of assessments for Common Expenses, to secure any loan obtained by the Association for repairs, replacements or capital improvements to the Common Elements, provided that any such assignment is authorized by the vote of not less than 75% of the members of the Executive Board.

Section 8.7 Designation of Common Expenses. The following shall be Common Expenses:

8.7.1 Expenses of administration, maintenance, repair and replacement of the Common Elements;

8.7.2 Expenses agreed upon as common by 67% of the Unit Owners;

8.7.3. Expenses declared common by the provisions of the Uniform Planned Community Act, or by this Declaration or the Bylaws or the Rules and Regulations adopted by the Association;

8.7.4. Insurance premiums for any insurance coverage to be maintained by the Association as set forth in the Public Offering Statement and the Bylaws and Rules and Regulations of the Association shall be a Common Expense to be paid by monthly assessments levied by the Association;

8.7.5. Reserves for repair or replacement; and

Section 8.8. Intentionally Deleted.

Section 8.9. Delegation of Authority; Professional Management. The Executive Board may delegate all or any portion of its authority to discharge its responsibilities to a managing agent. This delegation of authority and responsibility to a managing agent may be evidenced by one or more management contracts which may provide for the payment of reasonable compensation to such managing agent as a common expense, provided, however, that any agreement for professional management shall be terminable by the Association for cause on thirty (30) days' written notice; shall be terminable by either party, without penalty, on ninety (90) days' written notice; shall not exceed three (3) years unless renewed by agreement of the parties for successive one-year periods; and shall be bona fide and commercially reasonable at the time entered into under the circumstances then prevailing. Costs incurred under such management contract shall be a Common Expense. Subject to the foregoing, nothing contained herein shall preclude Declarant, or any other entity designated by Declarant, from being employed as managing agent.

ARTICLE IX DECLARANT'S RIGHTS

Section 9.1. Association.

9.1.1. Establishment of Association. The Association has been formed to be and to serve as the Unit Owners' Association for the Community. At the recording of this Declaration, the Declarant is the sole member of the Association.

9.1.2. Membership. Membership in the Association shall be limited to the Unit Owners. Every person or entity who is or becomes a Unit Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit, and transfer of a Unit shall automatically transfer membership to the transferee.

9.1.3. Voting Rights. Each Unit shall entitle its owner to one vote in the Association. If a Unit is owned by more than one person, or by an entity which is not a natural person, the Association Bylaws shall determine how such vote may be cast.

9.1.4. Executive Board. The Executive Board initially shall be those persons named as the initial members or such other person or persons as may be from time to time be substituted by the Declarant. The Executive Board shall consist of Three (3) members until such time as all members of the Executive Board are elected by Unit Owners. At that time, the members of the Association shall have the right to increase or decrease the membership of the Executive Board by amendment of the Bylaws.

9.1.5. Authority. The Executive Board shall have all authority provided in the Act, including, without limitation, to manage, maintain, repair, replace, alter and improve the Common Elements and assess and collect funds for the payment thereof, and to all things, and exercise all rights provided by the Community organizational documents, that are not specifically reserved to Unit Owners.

Section 9.2 Control.

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

9.2.2 Not later than 60 days after conveyance of twenty-five percent (25%) of the Units have been conveyed to Unit Owners other than Declarant, one (1) of the three (3) members of the Executive Board shall be elected by a group comprised of the Members of the Association other than Declarant.

9.2.3 Not later than the earlier of (i) seven (7) years after the date of the recording of this Declaration, (ii) 180 days after seventy-five percent (75%) of the Units have been conveyed to Members other than Declarant, or (iii) two (2) years after Declarant has ceased offering Units for sale, all members of the Executive Board shall resign, and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect a new three (3) member Executive Board.

ARTICLE X MORTGAGES

Section 10.1. Permitted Mortgages. A Unit Owner other than the Declarant or the Executive Board may not voluntarily encumber or subject his or her Unit to any lien, other than the lien of a Permitted Mortgage. Whether they expressly so state, all such Permitted Mortgages and the obligations secured thereby shall be deemed to provide, generally, that the Permitted Mortgage, and the rights and obligations of the parties thereto, shall be subject to the terms and conditions of the Act and this Declaration and shall be deemed to provide specifically, but without limitation, that the Permitted Mortgagee shall have no right (a) to participate in the adjustment of losses with insurers or in the decision as to whether or how to repair or restore damage to or destruction of the Property, or (b) to accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere on the Property other than within the affected Unit,

and the obligation secured shall be pre-payable, without penalty, upon the happening of any termination of the Community or determination not to restore or replace the affected Unit. The Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the Permitted Mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Permitted Mortgagee with a Certificate of Insurance showing that the Permitted Mortgagee's name has been so added. The Secretary shall maintain a register of such Permitted Mortgages, showing the names and addresses of the Permitted Mortgagees and the amount secured thereby.

ARTICLE XI. RIGHTS OF PERMITTED MORTGAGEES

Section 11.1. Reports and Notices. Upon the specific written request of a holder of a mortgage on a Unit or its servicer to the Executive Board, the mortgagee, subject to payment of any reasonable costs relating thereto, shall be entitled to receive some or all of the following as designated in the request:

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

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

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

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

11.1.5. Notice of substantial damage to or destruction of any Unit (the repair of which would cost in excess of \$5,000.00) or any part of the Common Elements (the repair of which would cost in excess of \$10,000.00);

11.1.6. Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

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

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

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

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

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

ARTICLE XII LIMITATION OF LIABILITY

Section 12.1 Standard of Conduct. In the performance of their duties, the officers and members of the Executive Board shall stand in a fiduciary relation to the Association and shall perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

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

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

Section 12.2 Good Faith Reliance. In performing his or her duties, an officer or Executive Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

12.2.1 One or more of the other officer(s) or employee(s) of the Association whom the officer(s) or Executive Board member(s) reasonably believes to be reliable and competent in the matters presented.

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

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

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

Section 12.3 Limited Liability. No Executive Board member or officer, in his or her capacity as such, shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless he or she has breached or failed to perform the duties of his or her office under the standards described above; provided, however, that the provisions of this Section 12.3 shall not apply to the responsibility or liability of an Executive Board member or officer pursuant to any criminal statute, or to the liability of an Executive Board member or officer for the payment of taxes pursuant to local, state, or federal law.

Section 12.4 Indemnification. To the extent permitted under Pennsylvania law, each member of the Executive Board, in his or her capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any proceeding in which he may become involved by reason of his or her being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he or she is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged to be in breach of the standards of conduct described above; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he or she is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his or her conduct was unlawful. The indemnification by the Unit Owners set forth in this Section 12.4 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

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

Section 12.5 Directors and Officers Insurance. The Executive Board shall obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section

12.4 above, if and to the extent available at reasonable cost.

IN WITNESS WHEREOF, the said Village at Sweetwater Associates has caused its name to be signed to these presents by its authorized representatives on this 10th day of August, 2012.

ATTEST:

SWEET-BEAVER, LLC

Veria M. Quicis

By: Edward M. Gillespie
Edward M. Gillespie, Manager

BEAVER HALL ASSOCIATES, L.L.P.

By: Beaver Hall Management, LLC,
general partner

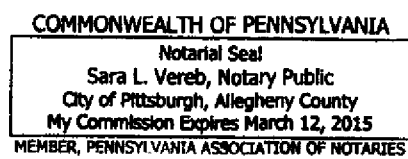
By: Frank J. Zappala, III
Frank J. Zappala, III, Manager

COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF ALLEGHENY :

I, Sara L. Vereb, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Frank J. Zappala, III, whose name is subscribed to the foregoing Declaration of Planned Community as Manager of Beaver Hall Management, LLC, general partner of Beaver Hall Associates, L.L.P., personally appeared before me this day, and he acknowledged and swore that he signed, sealed and delivered the said instrument as such manager as his free and voluntary act, having been authorized to do so, and deed for the uses and purposes therein set forth and that the statements therein contained are true.

Given under my hand and notarial seal this 10th day of August, 2012.

Sara L. Vereb
Notary Public



I, Sara L. Vereb, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Edward M. Gillespie, whose name is subscribed to the foregoing Declaration of Planned Community as Manager of Sweet-Beaver, LLC, personally appeared before me this day, and he acknowledged and swore that he signed, sealed and delivered the said instrument as such manager as his free and voluntary act, having been authorized to do so, and deed for the uses and purposes therein set forth and that the statements therein contained are true.

Given under my hand and notarial seal this 10th day of August, 2012.

Sara L. Vereb
Notary Public

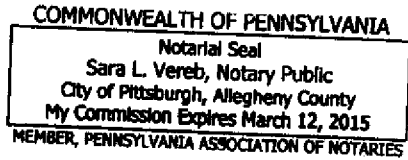


EXHIBIT A

REAL ESTATE

EXHIBIT B

EASEMENTS AND LICENSES

EXHIBIT C

IDENTIFYING NUMBERS AND PERCENTAGE INTERESTS OF EACH UNIT

EXHIBIT D

PLATS AND PLANS

DECLARATION OF PLANNED COMMUNITY

OF

THE VILLAGE AT SWEETWATER, A PLANNED COMMUNITY

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

EXHIBIT A

Legal Description of the Property

LEGAL DESCRIPTION FOR PARCEL A IN THE "800 BEAVER STREET " PLAN OF LOTS
IN THE BOROUGH OF SEWICKLEY

All that certain tract or piece of land situate in the Borough of Sewickley, County of Allegheny and Commonwealth of Pennsylvania, being Parcel A in the 800 Beaver Street "Unification" Plan of Lots, as recorded in the Recorder of Deeds Office of Allegheny County, in Plan Book Volume 253, Page 8, more particularly described as follows:

Beginning at a point on the southerly corner of Beaver Street and Peebles Street; Thence along Beaver Street, a 50' public street, South $34^{\circ} 41'$ East for a distance of 264.00 feet to a point, on the line of land formerly Harriet A. Gilmore and now or formerly Rita L. Baltic and C.V. Baltic, Thence along same and now or formerly Daniel and Bernadine M. Geller, South $55^{\circ} 08'$ West for a distance of 240.00 feet to a point, on the line of land formerly Martha L. Porter, deceased, and now or formerly Raymond Sabol, Thence along same North $34^{\circ} 41'$ West for a distance of 264.00 feet to a point on the southerly line of Peebles Street, a 66' public street, thence along Peebles Street North $55^{\circ} 08'$ East for a distance of 240.00 feet to a point, the Place of Beginning. Containing an area of 1.45 acres more or less.

The land described above was commonly known as 820 and 808 Beaver Street, Sewickley, PA 15143, now being 800 Beaver Street, Sewickley, PA 15143.

Being designated as Block 421-F Lot 297 (820 Beaver Street) and Block 421-F Lot 307 (808 Beaver Street) in the Deed Registry Office of Allegheny County.

Subject to all prior grants and reservations of coal, oil, gas, mining rights, exception, restrictions, easements, building lines, rights of way, and conditions as may appear on the recorded plan and prior instruments of record.

Being the same property conveyed to Beaver Hall Associates LLP and is recorded in Deed Book Volume 12529, Page 268, and by Corrective Deed dated October 28, 2005 and recorded November 21, 2005 in Deed Book Volume 12666, page 456. (Corrective deed was recorded to correct the name from Beaver Hall Associates L.P. to Beaver Hall Associates L.L.P.)

EXHIBIT "B"
EASEMENTS AND LICENSES AFFECTING THE REAL ESTATE

NONE

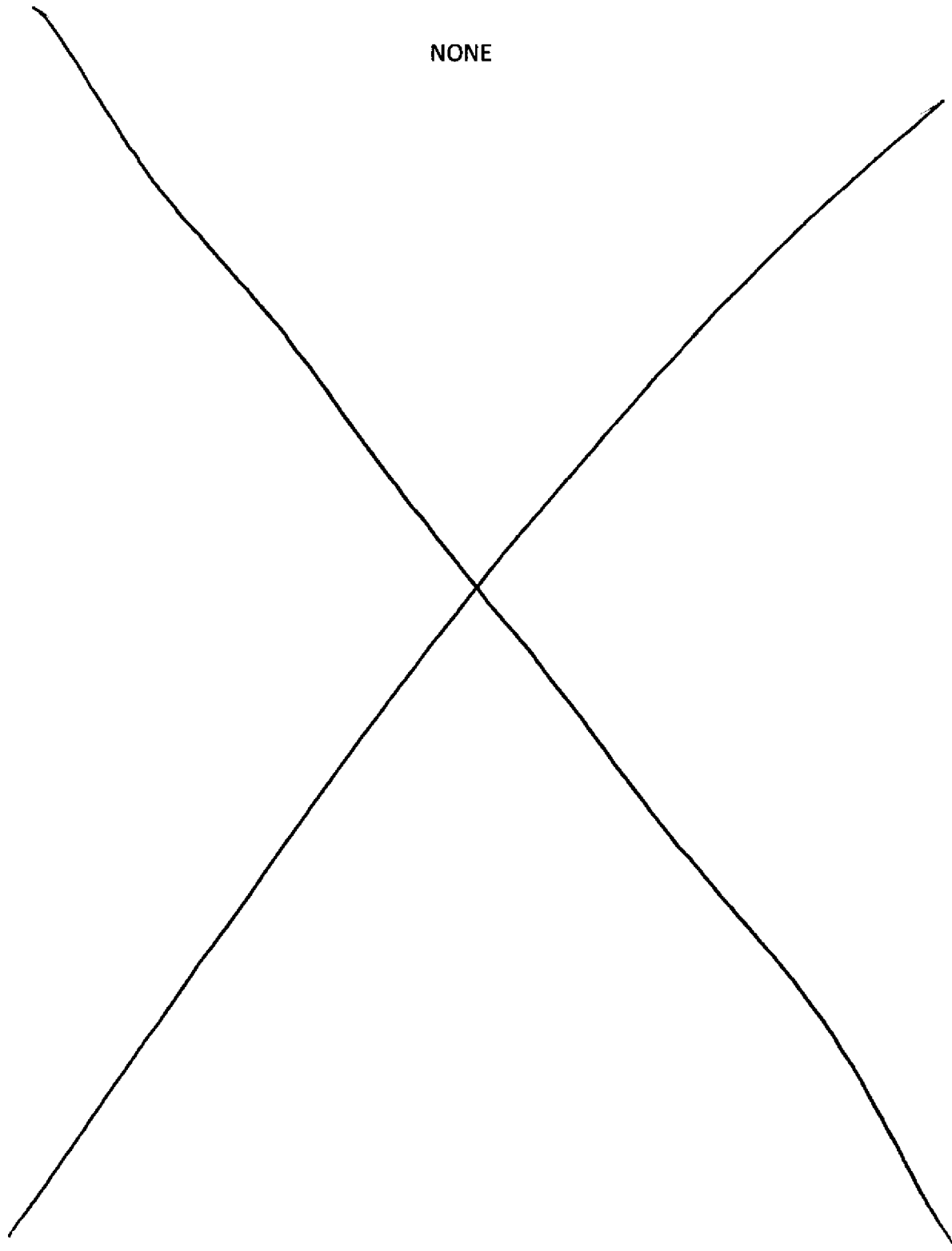
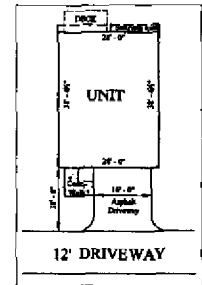
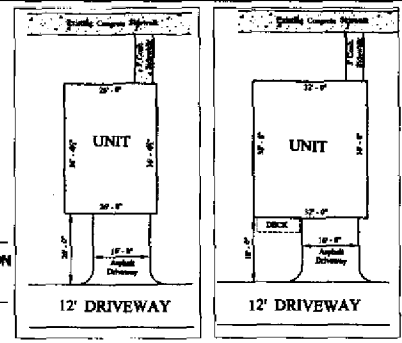


EXHIBIT "C"

<u>Unit #</u>	<u>Identifying Number</u>	<u>Percentage Interest</u>
101	808 Beaver Street	5.88%
102	806 Beaver Street	5.88%
103	804 Beaver Street	5.88%
104	802 Beaver Street	5.88%
105	800 Beaver Street	5.88%
201	550 Peebles Street	5.88%
202	540 Peebles Street	5.88%
203	530 Peebles Street	5.88%
204	520 Peebles Street	5.88%
205	510 Peebles Street	5.88%
206	500 Peebles Street	5.88%
301	822 Beaver Street	5.88%
302	820 Beaver Street	5.88%
303	818 Beaver Street	5.88%
304	816 Beaver Street	5.88%
305	814 Beaver Street	5.88%
306	812 Beaver Street	5.88%

Drawing Legend

- PROPERTY BOUNDARY LINE / R.O.A.
- ADJOINING PROPERTY LINES
- BUILDING SETBACK LINES
- SANITARY & UTILITY EASEMENTS
- PROPOSED ASPHALT DRIVEWAYS
- EXISTING ASPHALT ROADS
- M. N. B. B. NEED NOT BE BUILT
- EXISTING CONCRETE WALKWAYS
- PROPOSED CONCRETE WALKWAYS



TYPICAL BUILDING FOOTPRINTS
N.T.S.

LEGAL DESCRIPTION FOR OPEN SPACE PARCEL IN THE "VILLAGE AT SWEETWATER PLAN OF LOTS" IN THE BOROUGH OF SEWICKLEY
 All the certain tract or piece of land shown in the Borough of Sewickley, County of Allegheny and Commonwealth of Pennsylvania, being The Village at Sweetwater Plan of Lots, as recorded in the Recorder of Deeds Office of Allegheny County, in Plan Book Volume 2711, Page 31, and particularly described as follows:

Beginning at a point on the right-of-way of the southerly corner of Beaver Street and Peables Street, thence along Beaver Street, a 50' public street, South 34°41'00" East for a distance of 264.00 feet to a pin found on the line of land now or formerly Alan M. Broadlove and Jessica J. Broadlove, DBV 12839, Page 462, thence along the same and land now or formerly David Geller and Bernadine M. Geller, DBV 8349, Page 1, South 55°08'00" West for a distance of 240.00 feet to a pin found on the line of land now or formerly Raymond Sabol, DBV 783 Page 561, thence along the same North 34°41'00" West for a distance of 264.00 feet to a point on the westerly line of Peables Street, a 66-foot public street, thence along Peables Street North 55°08'00" East for a distance of 240.00 feet to a point at the Place of Beginning.

Containing a total area of 1.455 acres.

EXCEPTING AND RESERVING THE FOLLOWING THREE PARCELS

BUILDING 100

Beginning at a point on the southerly corner of Beaver Street and Peables Street, thence along Beaver Street, South 34°41'00" East for a distance of 82.00 feet to a point at the Place of Beginning, thence from said point of beginning along the westerly right of way line of Beaver Street South 34°41'00" East for a distance of 167.00 feet to a point; thence the following the course and distances:

South 55°08'01" West for a distance of 101.45 feet; thence North 34°51'59" West for a distance of 167.86 feet; thence North 55°08'01" East for a distance of 101.99 feet to a point at the Place of Beginning.

Containing an area of 0.200 acres.

BUILDING 200

Beginning at a point on southerly corner of Beaver Street and Peables Street, South 55°08'00" West for a distance of 16.00 feet to a point at the Place of Beginning, thence from said point of beginning, South 34°41'00" East for a distance of 70.00 feet, thence South 55°08'00" West for a distance of 224.00 feet, thence North 34°41'00" West for a distance of 70.00 feet to a point on the southerly right of way line of Peables Street, thence North 55°08'00" East for a distance of 204.00 feet to a point at the Place of Beginning.

Containing an area of 0.328 acres.

BUILDING 300

Beginning at a point on the southerly corner of Beaver Street and Peables Street, thence South 34°41'00" East for a distance of 264.00 feet to a pin found, thence along the dividing line of a lot of the Village at Sweetwater Plan of Lots and land now or formerly Alan M. Broadlove, Jessica J. Broadlove, DBV 12839, Page 462, thence along the same and land now or formerly David Geller and Bernadine M. Geller, DBV 8349, Page 1, South 55°08'00" West for a distance of 240.00 feet to a pin found, thence along the dividing line of land of the Village at Sweetwater Plan of Lots and land now or formerly David Michael and Jocelyn J. EA, DBV 15285, Page 201, North 34°41'00" West for a distance of 8.00 feet; thence North 55°08'01" East for a distance of 6.00 feet to a point at the Place of Beginning, thence through lands of the Village at Sweetwater Plan of Lots the following the course and distances:

North 34°52'00" West for a distance of 167.90 feet; thence North 55°08'01" East for a distance of 71.47 feet; thence South 54°51'59" East for a distance of 167.86 feet; thence South 55°08'00" West for a distance of 22.00 feet to a point at a Place of Beginning.

Containing an area of 0.275 acres.

Total area of Open Space Parcel is 0.462 acres.

I, JOHN JEROME SCHLEICHER, A REGISTERED SURVEYOR OF THE COMMONWEALTH OF PENNSYLVANIA, LICENSE NUMBER 000786-E, HEREBY CERTIFY THAT THE PLATS AND PLANS TO WHICH THIS CERTIFICATION IS ATTACHED CONTAINS ALL INFORMATION REQUIRED BY SECTION 520 OF THE PENNSYLVANIA PLANNED COMMUNITY ACT, 68 PA. C.S.A.

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

ON THIS, THE 1st DAY OF August, 2011, BEFORE ME, A NOTARY PUBLIC, PERSONALLY APPEARED JOHN JEROME SCHLEICHER, P.E., A PENNSYLVANIA REGISTERED SURVEYOR KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED THAT HE EXECUTED THE SAME FOR THE PURPOSES THEREIN CONTAINED.

I, WITNESS WHEREOF, I HERETO SET MY HAND AND OFFICIAL SEAL.
 Notary Public
 My Commission Expires the 31st DAY OF October, 2014

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

RECORDED IN THE DEPARTMENT OF REAL ESTATE OF THE COUNTY OF ALLEGHENY, COMMONWEALTH OF PENNSYLVANIA, PLAN BOOK VOLUME 2711, PAGE 31.

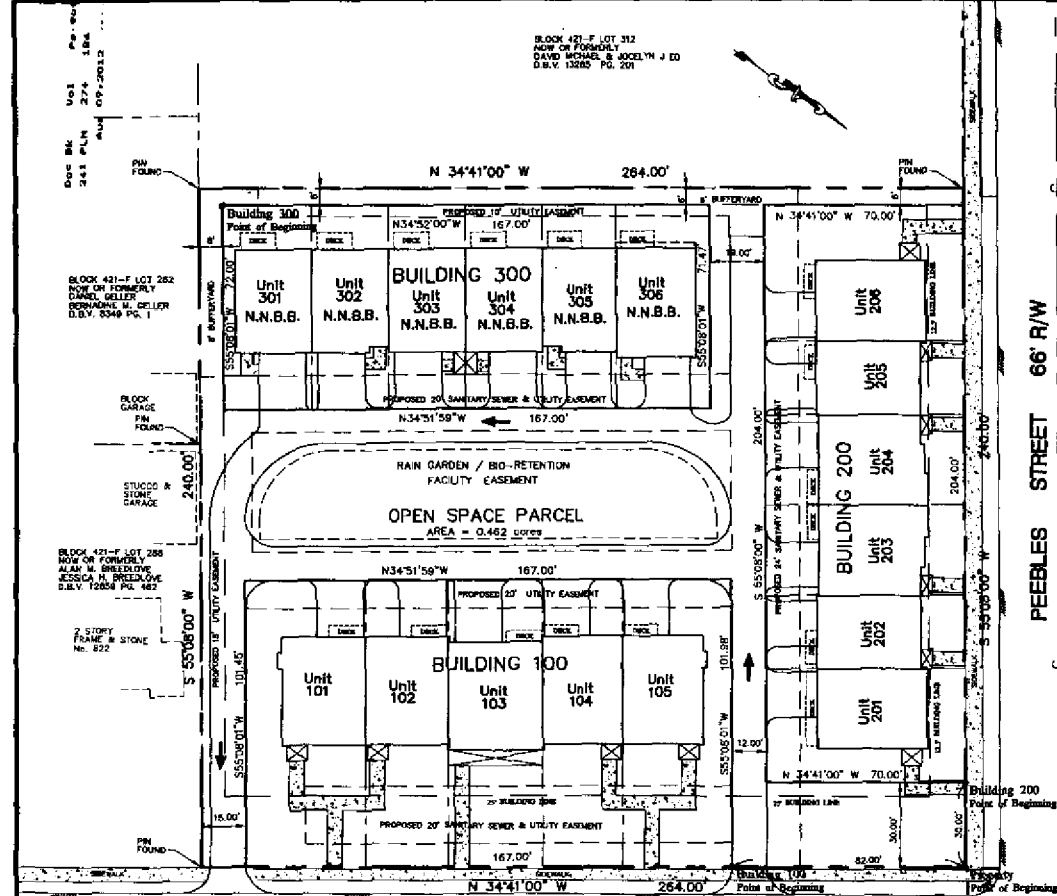
GIVEN UNDER MY HAND AND SEAL THIS 1st DAY OF August, 2011.
 Valery M. Smith
 MANAGER

2-25-2011 1" = 20'

DECLARATION PLAT
VILLAGE AT SWEETWATER
PLAN OF LOTS
 BOROUGH OF SEWICKLEY, ALLEGHENY CO., PA
VILLAGE AT SWEETWATER ASSOCIATES

E.A. THANER & ASSOCIATES
 A HIBSON - THOMAS ASSOCIATES CO.
 9951 OLD PERRY HIGHWAY WESTPOND, PA 15090
 PH: 724-834-2188 FAX: 724-932-8129

DRAWING NO. DL-1



BLOCK 421 - F LOT 312
 NOW OR FORMERLY
 DAVID MICHAEL & JOCELYN J ED
 D.B.V. 13285 PG. 201

BLOCK 421 - F LOT 282
 NOW OR FORMERLY
 DANIEL GELLER
 BERNADETT M. GELLER
 D.B.V. 5049 PG. 1

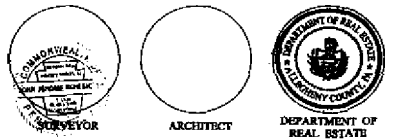
BLOCK 421 - F LOT 288
 NOW OR FORMERLY
 ALAN M. BROADLOVE
 JESSICA H. BROADLOVE
 D.B.V. 12839 PG. 462

2 STORY FRAME & STONE
 No. 622

OWNER/DEVELOPER:
VILLAGE AT SWEETWATER ASSOCIATES
 408 BEAVER STREET, SUITE 200 SEWICKLEY, PA 15143
 PH: 412-941-1841 FAX: 412-941-1284

NOTE: ALL DRIVEWAYS, DECKS AND SIDEWALKS ARE LIMITED COMMON ELEMENTS.

PROPERTY ADDRESS:
 808-820 BEAVER STREET
 SEWICKLEY, PA 15143
 BLOCK 421 - F LOT 297
 TOTAL PLAN AREA = 1.455 acres



DATE	REVISION BY	REVISION
4-21-11	EM	Revised Gases & legal descriptions
5-8-12	EM	Revised Building Units

EXHIBIT "D"
TO THE AMENDED AND RESTATED DECLARATION OF
PLANNED COMMUNITY

STANDARD AGREEMENT FOR THE SALE OF NEW CONSTRUCTION

The Village at Sweetwater

[SALESADDRESS1]
[SALESCITY], [SALESSTATE] [SALESZIP]
T: [SALESPHONE1] • F: [SALESFAX]
E: [SALESEMAIL]

Village at Sweetwater Associates

400 Broad Street, Suite 2001
Sewickley, PA 15143
www.LoveHeartland.com

1. **THIS AGREEMENT** entered into this [CONTRACTDATE], by and between [FIRSTNAME0000] [MIDDLEINITIAL0000] [LASTNAME0000], [STREETADDRESS10000] [STREETADDRESS20000] [CITY0000], [STATE0000] [ZIP0000], & [FIRSTNAME0001] [MIDDLEINITIAL0001] [LASTNAME0001], [STREETADDRESS10001] [STREETADDRESS20001] [CITY0001], [STATE0001] [ZIP0001], ("Buyer") and VILLAGE AT SWEETWATER ASSOCIATES ("VSA" or "Seller"), with its offices at 400 Broad Street, Suite 2001, Sewickley, PA 15143 for the purchase of Homesite [LOTNUMBER] (the "Property") in the Village at Sweetwater [DESCRIPTION] Community.

2. PROPERTY

Seller hereby agrees to sell and convey to Buyer, who agrees to purchase:

ALL THAT CERTAIN Homesite or piece of ground with buildings and improvements to be erected thereon, if any known as:
The Village at Sweetwater [DESCRIPTION], Homesite Number: [LOTNUMBER]
Model: [MODELNAME] [ELEVATIONDESCRIPTION]
Street Address: [ADDRESS1], [ADDRESS2], [ADDRESS3] County.

- (A) Model homes, if any, and any advertising or promotional materials used or displayed by Seller are for display purposes only and are not the basis of the bargain between Seller and Buyer. The obligations of Seller under this Agreement shall be determined solely by reference to the plans and specifications referred to above and the terms of this Agreement and any addendums hereto.
- (B) Seller makes no representation with respect to Homesite grades, Homesite area, options, facades, home lay-outs, location of walks, driveways, personal property, fences, patios, decks, recreational facilities, landscaping, decorating items and other items in or about the model home and model home area (if any) which are for display purposes only and are not included in the Total Purchase Price unless otherwise expressly provided herein. The home to be erected hereunder may not necessarily conform to the model home or model home area (if any).
- (C) Seller makes no representation with respect to the home type, size, style, price range or location of other homes to be built in this Community or in other Communities in the vicinity of the Property. Buyer acknowledges that all site plans, generalized development plans, plats, or renderings which may have been exhibited showing or indicating home types, the siting of homes on Homesites, grading or landscaping are projections only and are not binding upon Seller, and no representative of Seller is authorized to make any representation with regard to these items. In addition, Seller makes no representation as to the location of utility transformers and utility pedestals on the Property as the location of these facilities is determined solely by the utility companies and not the Seller. Furthermore, the location of easements, manholes, catch basins, or the location or presence of storm and sanitary sewer lines, cable lines, water lines, electrical lines, and telephone lines, all of which may effect the Homesite or Buyer's use thereof, are or will be determined by the recorded plan, recorded with the Recorder of Deeds in the County in which the Homesite is located.
- (D) Attached hereto and incorporated as part of this Agreement is a Selection Sheet which includes all options selected by Buyer. Buyer acknowledges and agrees that the Selection Sheet accurately reflects all options selected by Buyer as of this date.
- (E) VSA Change Order Policy for New Construction (*Immediate Starts*):
 - 1. Within the first 14 days after the date on this contract, changes can be made without incurring additional fees. There will be absolutely no structural changes after the first 14 days.
 - 2. From the 15th day up to the job start is released, there will be a \$250 Change Order Fee for ANY non-structural changes or selections requiring blueprint modifications due to administrative fees incurred.
 - 3. There will be ABSOLUTELY NO changes to Color Selections after the Pre-Construction Meeting.

VSA Change Order Policy for New Construction (*Delayed Starts*):

- 1. Prior to the contract being submitted to the Seller's Office as an immediate start, the changes can be made without incurring additional fees. There will be ABSOLUTELY NO structural changes after the contract has been submitted to the Seller's Office as an immediate start.
- 2. Until the Job Start is released, there will be a \$250 Change Order Fee for ANY non-structural changes or selections requiring blueprint modifications due to administrative fees incurred.
- 3. There will be ABSOLUTELY NO changes to Color Selections after the Pre-Construction Meeting.

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

VSA Change Order Policy for Quick Delivery Homes (With a Delivery Date of 100 Days or Less):

1. Within the first 7 days after the date on this contract, changes can be made without incurring additional fees. There will be ABSOLUTELY NO structural changes after the first 7 days.
2. From the 8th day up until the Job Start is released, there will be a \$250 Change Order Fee for ANY structural changes or selections requiring blueprint modifications due to administrative fees.
3. There will be ABSOLUTELY No changes to Color Selections after the Pre-Construction Meeting.

Buyer understands that Change Orders are subject to internal validation after submission and are not guaranteed. Extenuating circumstances may affect the feasibility of the requested changes that may include, but are not limited to, architectural and design endorsements, reconciliation of the current change order request with original and prior requests, item availability, and with the current stage of construction on your new home.

Seller will communicate any required modifications to this change order to Buyer.

- (F) A pre-construction meeting shall be scheduled by the Seller. The pre-construction meeting shall occur prior to the commencement of construction by the Seller. The Selection Sheet will be reviewed at the Pre-Construction meeting with the Buyer. No alterations and/or modifications shall be made to the Selection Sheet after the pre-construction meeting. In the event that Buyer fails to attend the pre-construction meeting, Buyer shall be bound by those selections contained on the Selection Sheet, as outlined in Paragraph 2(D), above.
- (G) Buyer acknowledges that there are many accepted methods of calculating the square footage of structures. In its marketing brochures and documents, Seller may use different methods of calculating the square footage of the home and makes no representations as to the actual square footage of the home regardless of the method utilized.
- (H) Buyer acknowledges that the determination of where to situate the home upon the Property shall be determined solely and exclusively by Seller.
- (I) Buyer hereby acknowledges and agrees that certain dimensions contained on the drawings and/or blueprints for the construction of his home, including but not limited to room sizes/dimensions, floor to ceiling heights, perimeter dimensions of the home, deck dimensions, concrete slab and/or porch dimensions and porch roof dimensions, may vary from the dimensions of the home as actually constructed. Any such variation shall not be considered a material change and/or modification to the drawings and/or blueprints. Seller shall not be responsible to Buyer for any such change and/or modification.
- (J) The location of fixtures, including, but not limited to, the furnaces, condensers and/or water heaters may vary from the drawings and/or blueprints. It is agreed that Seller has the exclusive right to determine the actual location of said fixtures.
- (K) Buyer acknowledges that municipal sidewalks may be a part of his plan and may affect his Homesite. Seller is not responsible for the sidewalks or driveway aprons.
- (L) Construction of the home will be done according to Seller's internal standards. Buyer shall agree to adhere to said standards and no modifications will be made to the home, which vary from the standards as established by Seller.
- (M) It is acknowledged that there are to be no substitutes with regards to subcontractors. It is expressly acknowledged and agreed that Seller, as the builder of the home shall select all subcontractors, material men and suppliers to be used in the construction of the home, including but not limited to electricians, plumbers, heat ventilating, and air conditioning, carpet and tile suppliers and installers, painters and landscapers.

3. PURCHASE PRICE

- (A) Buyer agrees to pay to Seller for the Property, including the options listed on the Selection Sheet, a Total Purchase Price of **[\$[TOTALPRICE]]** Dollars which will be paid to Seller.

4. PAYMENT TERMS

Such Purchase Price being payable as follows:

(A) Earnest Money Deposit	\$[BASEDEPOSIT]
(B) Additional Deposits	\$[OPTIONDEPOSIT]
(C) Mortgage Proceeds (if any)	<u>TBD at Closing</u>
BALANCE DUE AT SETTLEMENT	TBD at Closing
(exclusive of settlement costs and prorated amounts of prepaid items)	

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

- (D) Conveyance from Seller will be by fee simple deed of special warranty.
- (E) Payment of transfer taxes will be divided equally between Buyer and Seller.
- (F) At time of Settlement, the following will be adjusted pro-rata on a daily basis between Buyer and Seller, reimbursing where applicable: taxes; rents; condominium fees and homeowner association fees, if any; water and/or sewer fees, if any, together with any other lienable municipal service. The charges are to be pro-rated for the period(s) covered: Seller will pay up to and including the date of Settlement; Buyer will pay for all days following the Settlement.
- (G) Buyer hereby acknowledges that no portion of the purchase price will be placed into escrow for any reason, including post-Settlement completion of any item within this Agreement or any Addendum thereto, including but not limited to driveway installation or landscaping. Any Agreement item not completed by Seller at the time of Settlement, including but not limited to driveway installation or landscaping, shall be completed by Seller in accordance with the time periods enumerated within this Agreement, Seller's Warranty and/or any Addendums thereto.
- (H) Any hand money paid or deposits paid (hereinafter collectively "Hand Money") for the purchase of the Property prior to the Settlement shall be NON-REFUNDABLE. The ONLY circumstance under which Buyer shall be entitled to a refund of the Hand Money is a default by Seller as defined within this Agreement. Any additional payments for options/upgrades to Seller, or approved Third Parties on behalf of the Seller, shall be NON-REFUNDABLE as well.
- (I) As material consideration to Seller's entering into this Agreement with Buyer, Buyer expressly waives any right to record or file a lis pendens or a notice of pendency of action or similar notice or any type of lien against all or any portion of this Property.

5. SCHEDULE OF CONSTRUCTION

- (A) **Commencement date:** Seller estimates that Seller will commence construction on or about _____. **SELLER RESERVES THE RIGHT TO DELAY COMMENCEMENT OF CONSTRUCTION UNTIL BUYER HAS RECEIVED AND SIGNED A VALID MORTGAGE COMMITMENT IN ACCORDANCE WITH PARAGRAPH 8 AND UNTIL A BUILDING PERMIT HAS BEEN ISSUED BY THE APPROPRIATE AUTHORITY.** Any delay in the commencement of the construction due to either of the afore-stated reasons will not constitute a material breach of this Agreement.
- (B) **Completion Date:** Seller estimates completion of construction on or about [SETTLEMENTDATE]. Buyer hereby acknowledges that the above estimated time of completion on the part of Seller is made as an accommodation to Buyer to assist Buyer in formulating future plans. **HOWEVER, IF COMMENCEMENT, COMPLETION, AND/OR SETTLEMENT ARE DELAYED DUE TO INCLEMENT WEATHER, STRIKES, DELAYS IN ISSUANCE OF PERMITS, DELAYS BY ANY UTILITY COMPANY TO ESTABLISH SERVICE TO THE PROPERTY, UNAVAILABILITY OF LABOR MATERIALS, APPROVED CHANGE ORDERS, BUYER'S FAILURE TO COMPLETE THE SELECTION SHEET OR ANY OTHER REASON BEYOND SELLER'S CONTROL, SUCH TIMES AND SETTLEMENT HEREUNDER WILL BE AUTOMATICALLY EXTENDED ACCORDINGLY, AND TIME WILL NOT BE DEEMED TO BE OF THE ESSENCE.**
- (C) In the event the Property shall be Substantially Complete on the Settlement Date, Settlement shall be completed as provided in Paragraph 5(G) of this Agreement. Substantially Complete shall be defined as the issuance of a residential use permit by the local jurisdiction even if such items as landscaping, exterior concrete (including but not limited to footings needed for deck construction), driveways, final grading, and exterior painting may not be completed due to weather conditions. Buyer agrees to sign any waiver that may be required by the local jurisdiction in order to obtain a residential use permit prior to completion of the above listed items. Seller agrees that any such incomplete items shall be completed as soon as weather permits. Seller further reserves the right to enter onto the Property after Settlement to complete such items without the prior approval of Purchaser.
- (D) Seller shall have the right to enter upon the Property at any time after Settlement for the purpose of making exterior changes to the Homesite or to the adjacent Homesites and improvements thereon, including but not limited to grading and drainage system changes and the removal or planting of trees.
- (E) Seller is unaware of and makes no representations as to any adverse subsurface soil conditions which may affect the Homesite. In the event any adverse subsurface soil conditions are detected after Settlement, all warranties, express or implied, as to subsurface soil conditions are expressly excluded from Seller's Home Warranty and Service Procedures.
- (F) Buyer may not have access or entry to the Property or the construction site during construction, nor may Buyer store any possessions in or about the Property or the construction site prior to Settlement and delivery of possession to the Buyer without Seller's prior written consent. Neither Buyer nor any agent of Buyer is permitted to enter the Property for the purpose of doing any form of construction work or to make any alterations to the home before Settlement. Any violation of this provision may, at the election of Seller, be considered a material breach of this Agreement and, in addition to any other remedies available to Seller, Seller may terminate this Agreement and, in such event, any amount paid toward the Total Purchase Price and options may be retained by Seller as fixed and liquidated damages. Further, should Buyer violate this provision, Buyer will be deemed to be trespassing

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

and Seller assumes no liability or responsibility for any injuries suffered by Buyer or Buyer's agents or guests while on the Property or construction site or for any losses to any property left thereupon and Buyer agrees to indemnify Seller from any and all losses or damages arising there from and all warranties from Seller, its subcontractors and/or suppliers will be void.

- (G) **Settlement:** Settlement hereunder will be held on a date that is within 10 days (unless otherwise specified here _____) after Seller supplies Buyer with notice of Settlement. However, at the time of the Settlement, the home and premises will have been substantially completed. If the municipality or governmental authority requires a Use & Occupancy permit, Seller will provide one at Settlement.
- (H) Seller will notify Buyer in writing of the Settlement Date for completion of the home at least 15 days in advance. **IF BUYER DOES NOT CLOSE ON THIS DATE DUE TO NO FAULT OF THE SELLER, BUYER IS SUBJECT TO AN ADDITIONAL .5% INCREASE ON THE TOTAL PURCHASE PRICE ON THE HOME. IN THE EVENT DELAYS ARE IMPOSED BY THE SELLER, THESE FEES WILL NOT APPLY.**

6. **ESCALATION CLAUSE**

- (A) **IF SVA DOES NOT COMMENCE CONSTRUCTION OF THE HOME WITHIN 90 DAYS FROM THE DATE OF THIS CONTRACT SIGNING, BUYER AGREES TO PAY A 1% PRICE ESCALATION ON THE TOTAL PURCHASE PRICE OF THE HOME. FOR EVERY 60 DAYS THEREAFTER, THE PRICE WILL BE SUBJECT TO AN ADDITIONAL .5% INCREASE ON THE TOTAL PURCHASE PRICE IF THE HOME HAS NOT BEEN STARTED. BY INITIALING THIS CONTRACT BOTH PARTIES AGREE TO THIS PRICE ESCALATION POLICY. IN THE EVENT DELAYS ARE IMPOSED BY SVA., ESCALATION FEES WILL NOT BE INCURRED BY THE BUYER.** _____ (Buyer's Initials)

7. **SPECIAL CLAUSES**

- (A) Buyer and Seller have received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code §35.336.
- (B) Buyer and Seller have received a statement of their respective estimated closing costs before signing this Agreement.

The following are part of this Agreement if checked:

- (C) The following exhibits are made part of this Agreement if checked:

- | | |
|------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <input checked="" type="checkbox"/> Plot Plan of Lots | <input checked="" type="checkbox"/> Description of Materials |
| <input checked="" type="checkbox"/> House Plan/Floor Plan/Elevation | <input type="checkbox"/> Homeowner Association Documents |
| <input checked="" type="checkbox"/> Selection Sheet | <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> Limited Home Warranty and Service Agreement
(Exhibit A) | <input type="checkbox"/> Other: _____ |

8. **MORTGAGE CONTINGENCY**

- WAIVED.** This sale is NOT contingent on mortgage financing.
- ELECTED.**

- (A) This sale is contingent upon Buyer obtaining mortgage financing as follows:

1. Amount of mortgage loan \$ _____
2. Minimum Term _____ Years
3. Type of mortgage _____
4. Interest rate PREVAILING RATE%; however, Buyer agrees to accept the interest rate as may be committed by the mortgage lender, not to exceed a maximum interest rate of PREVAILING RATE%.
5. Discount points, loan origination, loan placement and other fees charged by the lender as a percentage of the mortgage loan (excluding any mortgage insurance premiums or VA funding fee) not to exceed PREVAILING RATE% of the mortgage loan.

The interest rate and fees provisions required by Buyer are satisfied if a mortgage lender makes available to Buyer the right to guarantee an interest rate at or below the Maximum Interest Rate specified herein with the percentage fees at or below the amount specified herein. Buyer gives Seller the right, at Seller's sole option and as permitted by the lending institution and applicable laws, to contribute financially, without promise of reimbursement, to the Buyer and/or lender to make the above terms available to Buyer.

- (B) **WITHIN TEN DAYS OF THE EXECUTION OF THIS AGREEMENT, BUYER WILL MAKE A COMPLETED, WRITTEN MORTGAGE APPLICATION TO A RESPONSIBLE MORTGAGE LENDING INSTITUTION.** The Seller is authorized to communicate with the lender for the purpose of assisting in the mortgage loan process. In the event Buyer fails to make a written application to a responsible mortgage lending institution within the aforementioned ten day period, Seller shall have the right to terminate this Agreement and retain all Deposit Money.

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

1. Upon receipt of a mortgage commitment, Buyer and/or Seller will promptly deliver a copy of the commitment to Listing Broker, if any, otherwise to Seller.
2. Mortgage commitment date. If Seller does not receive a written commitment within ten days, Buyer and Seller agree to extend the commitment date until Seller terminates this Agreement in writing.
3. Seller has the option to terminate this Agreement in writing, on or after the mortgage commitment date, if the mortgage commitment:
 - a. Is not valid until date of Settlement, OR
 - b. Is conditioned upon the sale and settlement of any other property, OR
 - c. Contains any other condition not specified in this Agreement.
4. In the event Seller does not terminate this Agreement as provided above, Buyer has the option to terminate this Agreement in writing if the mortgage commitment:
 - a. Is not obtained by or valid until date of Settlement, OR
 - b. Is conditioned upon the sale and settlement of any other property which did not occur by the date of Settlement, OR
 - c. Contains any other condition not specified in this Agreement as provided above which Buyer is unable to satisfy by the date of Settlement.
5. Buyer acknowledges and agrees that in the event of a termination as specified above, all deposit monies paid on account of the total purchase price shall be NON-REFUNDABLE.

(C) Seller will not be responsible to Buyer or Buyer's mortgage lender to escrow any funds for any reason. In the event that Buyer's mortgage lender requires an escrow of funds as a condition to complete Settlement, then Buyer agrees to provide such escrow funds and complete Settlement hereunder as specified in this Agreement. This paragraph will survive Settlement.

(D) Seller Assist

Not Applicable

Applicable. Seller will pay:

\$ _____, maximum, toward Buyer's costs as permitted by the mortgage lender.

(E) **FHA/VA, IF APPLICABLE**

It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement lender setting forth the appraised value of the property of not less than \$ _____. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. **The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.**

WARNING: Section 1010 of Title 18, U.S.C., Department of Housing and Urban Development and Federal Housing Administration Transactions, provides, "Whoever for the purpose of . . . influencing in any way the action of such Department, makes, passes, utters or publishes any statement, knowing the same to be false . . . shall be fined under this title or imprisoned not more than two years, or both."

(F) **U.S. Department of Housing and Urban Development (HUD) NOTICE TO PURCHASERS: Buyer's Acknowledgement**

Buyer has received the HUD Notice "For Your Protection. Get a Home Inspection." Buyer understands the importance of getting an independent home inspection and has thought about this before signing this Agreement. Buyer understands that FHA will not perform a home inspection nor guarantee the price or condition of the property.

(G) **Certification.** We the undersigned, Seller(s) and Buyer(s), parties to this transaction each certify that the terms of this Agreement are true to the best of our knowledge and belief, and that any other agreement entered into by any of these parties in connection with this transaction is attached to this Agreement.

9. INSPECTIONS

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

(A) Seller hereby agrees to permit a Pre-Settlement inspection and a radon inspection by Buyer provided he is accompanied by a Seller's representatives and by others as may be required by the lending institutions, governmental authorities, or insuring agencies. Seller further agrees to permit any other inspections required by or provided for in the terms of this Agreement.

(B) Pre-Settlement Inspection

1. Buyer reserves the right to make a pre-Settlement walk-through inspection of the Property when the Property is substantially complete. Seller will notify Buyer prior to Settlement of the date and time of Buyer's pre-Settlement walk-through inspection of the Property.
2. At the pre-Settlement inspection, Buyer and Seller will complete and sign a list of items (punch list) to be completed, modified, or replaced within sixty (60) days after Settlement. Items that cannot be completed, modified or replaced within Sixty (60) days of Settlement due to events beyond Seller's reasonable control will be completed by Seller as soon as reasonably possible, not to exceed one year.
3. Buyer's failure to inspect the Property on the date of the scheduled pre-Settlement inspection or Buyer's failure to complete and sign the pre-Settlement inspection form constitutes a waiver of Buyer's rights to inspect the Property, and Buyer will accept the Property at Settlement in its then present condition without obligation of modification or replacement.
4. Notwithstanding the provisions of this Paragraph 9, Buyer's right to make this inspection is not waived by any other provision of this Agreement.
5. Seller will have heating and all utilities (including fuel(s)) on for the pre-Settlement inspection.

10. WOOD INFESTATION CONTINGENCY

Seller will provide evidence that there are no wood-boring insects on the Property, if required by lender. If a wood infestation inspection is required, Buyer agrees to reimburse Seller for the cost of the inspection. If active infestation(s) exists, Seller agrees, at Seller's expense and before Settlement, to treat for active infestation(s), in accordance with applicable laws.

11. RADON CONTINGENCY

Seller represents that it has no knowledge concerning the presence or absence of radon.

- WAIVED. Buyer understands that Buyer has the option to request the Property be inspected for radon by a certified inspector. BUYER WAIVES THIS OPTION and agrees to the RELEASE set forth below.
- ELECTED.

Buyer at Buyer's expense has the option to obtain, from a certified inspector, a radon test of the property.

For all homes, Seller has provided the following Passive Radon Mitigation System: A perforated pipe is installed in the sub-slab of the foundation beneath the vapor barrier. The perforated pipe is converted to solid PVC and extended vertically through the concrete slab in the basement. The 3" pipe is then installed through the through the attic and out of the roof. The radon exhaust pipe is indicated as such in the basement with permanent marker and orange paint. A dedicated outlet is located in the attic near the pipe for future Radon exhaust fan if required.

Seller is not responsible for any mitigation or remediation of Radon for these homes started on or after November 1, 2010.

- a) BUYER HEREBY RELEASES, QUIT CLAIMS AND FOREVER DISCHARGES SELLER, ITS AGENTS, SERVANTS, AND EMPLOYEES FROM ANY AND ALL CLAIMS, LOSSES OR DEMANDS, INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURIES AND PROPERTY DAMAGE AND ALL OF THE CONSEQUENCES THEREOF, WHETHER NOW KNOWN OR NOT, WHICH MAY ARISE FROM THE PRESENCE OF RADON. THIS RELEASE WILL SURVIVE SETTLEMENT.

12. NATURALLY OCCURRING GASES

A small percentage of homes in the United States experience elevated levels of radon gas and/or methane gas or other naturally occurring gases. These are naturally occurring gases that rise up and escape from the soil. This phenomenon can occur in any home, regardless of the type of home or who built it.

Seller claims no expertise in the measurement or reduction of radon and/or methane gas or any other naturally occurring gas in Buyer's home nor does Seller provide any advice to Buyer as to acceptable levels or possible health hazards of the gases. As to radon, Buyer may wish to obtain a test kit that meets the EPA protocol for measuring the level of radon gas in the home. The EPA publishes a list that provides information on EPA-approved suppliers of such test kits.

Upon Settlement, Buyer shall be deemed to have accepted the Property, including the home, regardless of the presence of these gases now or in the future and Buyer herein agrees to release Seller from any claims related to or arising from the presence of naturally occurring gases.

If Buyer wishes to obtain further information he should contact the U.S. Environmental Protection Agency or his state environmental protection office.

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

13. POSSIBLE BIOLOGICAL IMPURITIES

- (A) Modern homes, including the Property, are built to slow the escape of warm air in the winter and the escape of cool air in the summer. These construction techniques also help reduce the entrance into the home of certain naturally-occurring, organic, often airborne and often invisible contaminants such as (without limitation) animal dander, dust, dust mites, fungi, all forms of mold, bacteria and pollen (collectively, "Biological Impurities"). However, Biological Impurities brought into the home (through the natural circulation of air, generated by or carried into the home by or upon people, animals or things, including building materials) can become trapped and actively grow in homes unless they are affirmatively removed. Moisture, either from leaks or from exposure to the elements during the construction process or after occupancy by you can lead to an addition in those Biological Impurities in the home. For instance, as an example of the foregoing and without limitation, moisture from leaks into the interior of the home and the resulting wood rot (to the extent such leaks and wood rot are not covered by Seller's Limited Warranty), either alone or in combination with certain variables such as the temperature and the type of cellulose wood products, can cause the development of mold and other Biological Impurities.
- (B) Within the home, Biological Impurities can cause allergies or other more serious health effects for the occupants. According to some experts, Biological Impurities cannot be completely eliminated or excluded from residential construction such as the Property. Notwithstanding the immediately preceding sentence, it is your sole responsibility after Settlement on the Property to implement periodic, careful inspections and maintenance procedures in an effort to minimize the existence and effect of Biological Impurities within the Property. Seller does not claim any expertise regarding the identification, remediation or possible health consequences of Biological Impurities: if Buyer would like more information, Buyer should contact the U.S. Environmental Protection Agency, state or local authorities.
- (C) Seller has not made, created or invited (nor does it intend to make, create or invite) any warranty or any other expectancy, either express or implied, with respect to any Biological Impurities. Buyer agrees for himself/herself, and for his/her family, invitees, tenants, agents, heirs, successors, executors, subrogees, attorneys, assigns and any other persons who may have occasion to visit or reside in the home (collectively "Buyer's agents") that the Seller shall not be liable for any damages (whether direct or consequential) or for any injury (including but not limited to personal injury) to Buyer or any of Buyer's agents, regardless of legal theory (including, but not limited to Seller's negligence) arising out of or relating to any real or alleged Biological Impurities located in the home or on the Property. Accordingly, Buyer (for himself and the Buyer's agents) releases Seller, its subcontractors and suppliers, and any and all other persons and entities of and from any and all present and future claims, damages and causes of action, regardless of legal theory, that arise out of or in any way relate to the real or alleged presence of Biological Impurities in or on the Property (collectively "Biological Impurities Claims"). To the maximum extent permitted by law, Buyer (for himself/herself and for Buyer's agents) hereby waives (and is estopped to assert) all claims to the contrary. Buyer further acknowledges that nothing to the contrary has been promised by Seller or otherwise made any part of the basis of the bargain between the parties in regards to this transaction and, upon request, Buyer shall sign a separate confirmatory addendum and reaffirmation at Settlement to further memorialize that this Paragraph accurately states and shall remain the mutual intent of the parties. Buyer hereby expressly covenants and agrees to pay to and indemnify Seller and its subcontractors and suppliers, for any and all damages and/or costs (including, without limitation, attorneys' fees and court costs) incurred by Seller and/or its subcontractors or suppliers as a result of any Biological Impurities Claims made or attempted to be made by Buyer or any of Buyer's agents. This provision shall survive Settlement and shall not merge with or into the deed of conveyance.

14. STATUS OF WATER

Seller represents that, at the time of Settlement,
 the Property will be served by public water.

the Property will be served by a community water disposal system.

15. STATUS OF SEWER

Seller represents that
 the Property is served by public sewer.

the Property is served by community sewage.

16. NOTICES, ASSESSMENTS & GOVERNMENT REQUIREMENTS

- (A) Seller represents as of Seller's execution of this Agreement that no public improvement, condominium or homeowner association assessments have been made against the Property which remain unpaid and that no notice by any government or public authority has been served upon Seller or anyone else on Seller's behalf, including notices relating to violations of zoning, housing, building, safety or fire ordinances which remain

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

remains uncorrected unless specified here _____.

- (B) Seller knows of no other potential notices (including violations) and assessments.
- (C) Seller will be responsible for any notice of improvements or assessments received before the date of Settlement.
- (D) Buyer is advised that access to a public road may require issuance of a highway occupancy permit from the Department of Transportation.
- (E) All necessary permits will be obtained and paid for by Seller prior to Settlement.
- (F) Seller will comply with all restrictions and requirements imposed by any governmental authorities.

17. TITLE, SURVEYS & COSTS

- (A) The Property is to be conveyed free and clear of all liens, encumbrances and easements, EXCEPTING HOWEVER the following: existing deed restrictions, historic preservation restrictions or ordinances, building restrictions, ordinances, easements of roads, easements visible upon the ground, easements of record, privileges or rights of public service companies, if any; otherwise the title to the above described real estate will be good and marketable and such as will be insured by a reputable Title Insurance Company at regular rates.
- (B) In the event Seller is unable to give good and marketable title and such as will be insured by a reputable Title Company at the regular rates, as specified in Paragraph 17(A), Buyer will have the option of taking title as Seller can give without changing the price or of being repaid all monies paid by Buyer to Seller on account of the total purchase price and Seller will reimburse Buyer for any cost incurred by Buyer for those items specified in Paragraph 16; and in the latter event there will be no further liability or obligation on either of the parties hereto and this Agreement will become VOID.
- (C) Any survey or surveys which may be required by the Title Insurance Company or abstracting attorney, for the preparation of an adequate legal description of the Property (or the correction thereof), will be secured and paid for by Buyer.
- (D) Buyer will pay for the following: (1) The premium for mechanic's lien insurance and/or title search, or fee for cancellation of same, if any; (2) The premiums for flood insurance and/or fire insurance with extended coverage, insurance binder charges or cancellation fee, if any; (3) Appraisal fees and charges paid in advance to mortgage lender, if any; (4) Buyer's customary Settlement cost and accruals; (5) Initiation fee or capital funding fee, if any.

18. ZONING CLASSIFICATION

Failure of this Agreement to contain the zoning classification (except in cases where the Property (and each parcel thereof, if subdividable) is zoned to permit multi-family dwellings) will render this Agreement voidable at the option of Buyer, and, if voided, any deposits tendered by the Buyer will be returned to the Buyer without any requirement for court action.

Zoning Classification: R-2 RESIDENTIAL

19. LANDSCAPING & DRIVEWAY

- (A) **Landscaping and seeding schedule of completion:** The topsoil, finish grading and seeding will be completed in a timely manner, but no later than July 30 for those homes completed the previous year. For those homes completed in Jan., Feb., March, and April of the current year, the completion date for topsoil, finish grading, and seeding will be August 30 of the current year. Topsoil, seed, and fertilizer will be applied according to the most accepted standards and at a time when weather conditions permit. Seller is not responsible for adverse weather conditions occurring after the lawn has been planted or after taking possession, whichever comes later. In case of serious washouts by storms or excessively heavy rains, Seller will furnish, one time only, a 10 lb. bag of seed, but no labor, in order that Buyer may repair any damage.
- (B) Seller will attempt to preserve as many of the existing trees or shrubs as reasonably possible during construction of the improvements and home on the Property. It is expressly agreed that Seller does not guarantee or warrant survival of any trees or shrubs existing on the Property prior to construction. Any existing trees or shrubs that may die after Settlement are the sole responsibility of Buyer. Seller will be responsible to grade and seed the disturbed areas only. Any soil washouts from rain or melting snow or burnouts due to droughts after Settlement are the sole responsibility of Buyer. As to the quality or quantity of the growth of grass, it will be Buyer's responsibility to water, fertilize and reseed as necessary after Settlement.
- (C) Buyer acknowledges that, due to adverse weather conditions and other events beyond Seller's reasonable control, items including the driveway surface, grading and seeding, exterior painting or staining, and exterior concrete surfaces may not be completed at time of Settlement. Unless otherwise agreed, no portion of the purchase price or option payments will be placed in an escrow account or withheld from Seller at Settlement to compensate

Buyer 1 Initials _____
Buyer 2 Initials _____

Seller's Initials _____

permit.

(D) This paragraph will survive Settlement.

20. SUBSTITUTIONS

Buyer and Seller acknowledge that the buildings and improvements on the Property will be substantially similar to the established building specifications. Buyer also acknowledges that Seller has the right to make substitutions of materials or products of substantially equal or better quality at Seller's sole discretion and those actual materials and products may vary from sample materials and products.

21. COAL NOTICE

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L., 984) "Buyer acknowledges that he may not be obtaining the right of protection against subsidence resulting from coal mining operations, and that the property described herein may be protected from damage due to mine subsidence by a private contract with owners of the economic interests in the coal. This acknowledgment is made for the purposes of complying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of April 27, 1996." Buyer agrees to sign the deed for Seller, which will contain the aforesaid provision.

22. RIGHT TO CURE

Notice and Right to Cure Seller's Default:

- (A) A breach of Seller in the performance or observance of any of the covenants of Seller in this Agreement or any addendum thereto and the failure of Seller to cure such breach within 30 days after written notice to do so is given by Buyer to Seller shall constitute an event of default by Seller, unless the nature of the default is not curable within such time period and Seller is diligently proceeding in its efforts to cure the breach, in which event the cure period shall be extended for a period not to exceed ninety (90) days.
- (B) Unless and until Buyer issues a written notice to Seller and Seller has had the opportunity to cure a breach as provided, Seller shall not be liable to Buyer for any breach, Buyer shall not have the right to enter into any agreements for the correction of a breach with any other contractor or repairman, and Buyer shall not have the right to withhold any payments to Seller regarding said breach.

23. POSSESSION

Possession is to be delivered by deed, keys and physical possession to a clean building. The Homesite and Building(s) will be free of debris as of the day and time of Settlement.

24. RECORDING

Neither this Agreement nor any addendum thereto will not be recorded in the Office of the Recorder of Deeds, or any other office or place of public record and if Buyer causes or permits this Agreement to be recorded, Seller may elect to treat such act as a breach of this Agreement.

25. ASSIGNMENT

This Agreement will be binding upon the parties, their respective heirs, personal representatives, guardians and successors, and to the extent assignable, on the assignees of the parties hereto, it being expressly understood, however, that Buyer will not transfer or assign this Agreement without consent of Seller.

26. DEPOSIT & RECOVERY FUND

- (A) Deposits paid by Buyer within 30 days of Settlement will be by cash or cashier's check. Deposits, regardless of the form of payment and the person designated as payee, will be paid to the individual identified in Paragraph 4(A), who will retain them in an escrow account until consummation or termination of this Agreement in conformity with all applicable laws and regulations. Any uncashed check tendered as deposit may be held pending acceptance of this offer.
- (B) A Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658 or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).

27. CONDOMINIUM/PLANNED COMMUNITY (HOMEOWNER ASSOCIATION) PUBLIC OFFERING STATEMENT:

Select one (1) of the following:

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

APPLICABLE: CONDOMINIUM

- (A) Buyer acknowledges that the Property is a unit of a condominium as defined by the Uniform Condominium Act. Seller is a declarant of the condominium and is required to provide Buyer with a public offering statement, if applicable. (See Condominium/Uniform Planned Community Notice for definitions of declarant, public offering statement and condominium.)
- (B) The delivery of the public offering statement must be made no later than the date the Buyer executes this Agreement. Buyer may cancel this Agreement within fifteen (15) days after receiving the public offering statement and within fifteen (15) days of receipt of any amendment to the Statement that materially and adversely affects Buyer.

APPLICABLE: PLANNED COMMUNITY (HOMEOWNER ASSOCIATION)

- (A) Buyer acknowledges that the Property is part of a planned community as defined by the Uniform Planned Community Act. Seller is a declarant of the planned community and is required to provide Buyer with a public offering statement, if applicable. (See Condominium/ Uniform Planned Community Notice for definitions of declarant, public offering statement and planned community.)
- (B) The declarant must provide Buyer with a copy of the public offering statement and its amendments no later than the date the Buyer executes this Agreement. Buyer may cancel this Agreement within fifteen (15) days after receiving the public offering statement and within fifteen (15) days after receiving any amendment to the contract that would materially and adversely affect Buyer.

28. MAINTENANCE & RISK OF LOSS

Seller will bear the risk of loss from fire or other casualties until the time of Settlement. In the event of damage by fire or other casualties to any property included in the sale that is not repaired or replaced prior to Settlement, Buyer will have the option of rescinding this Agreement and promptly receiving all monies paid on account of the total purchase price or of extending Settlement until such time as Seller can deliver the Property in a completed condition.

Buyer is hereby notified that Buyer may insure Buyer's equitable interests in this Property as of time of execution of this Agreement

29. RELEASE

Buyer and Seller hereby release, quit claim and forever discharge all brokers, their licensees, employees and any officer or partner of any one of them and any other person, firm or corporation who may be liable by or through them, from any and all claims, losses or demands, including, but not limited to, personal injuries and property damage and allow the consequences thereof. This release will survive Settlement.

30. REPRESENTATIONS

- (A) Buyer understands that any representations, claims, advertising, promotional activities, brochures, plans, building specifications, or warranties made by Seller, Brokers, their licensees, employees, officers, or partners are not a part of this Agreement or any addendum thereto unless expressly incorporated or stated in this Agreement or any addendum thereto.
- (B) Buyer acknowledges that Brokers, their licensees, officers or partners have not made an assessment of the plan, drawings, specifications or such documents as have bearing on the nature and quality of the structures to be built by Seller. Furthermore, Brokers, their licensees, officers or partners make no representations with respect to permits or such evidence of governmental approval for the construction of the structures to be built by Seller, of the environmental conditions, the permitted uses, the financial condition of the Seller, or the conditions existing in the locale where the Property is situated; nor have they made an inspection of the components, appliances, systems or consumer products to be installed in or about the Property.
- (C) It is further understood that this Agreement contains the whole Agreement between Seller and Buyer and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise of any kind whatsoever concerning this sale. Furthermore, this Agreement will not be altered, amended, changed or modified except in writing executed by the parties.
- (D) The headings, captions and line numbers in this Agreement are meant only to make it easier to find the paragraphs.

31. LIMITED WARRANTY

Buyer acknowledges that s/he has been afforded the opportunity to review Seller's Limited Warranty prior to execution of this Agreement, has received a copy of the Limited Warranty and agrees to accept the Limited Warranty as the sole warranty being given to Buyer. THE LIMITED WARRANTY OF THIS AGREEMENT IS THE ONLY WARRANTY

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

APPLICABLE TO THE PROPERTY. NO IMPLIED WARRANTY (WHETHER OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE) IS GIVEN ON PORTIONS OF THE PROPERTY OTHER THAN CONSUMER PRODUCTS. SELLER HAS NOT AUTHORIZED ANY PERSON TO MODIFY THE TERMS OF THE WARRANTIES DESCRIBED HEREIN. SELLER ASSUMES NO LIABILITY OR OBLIGATIONS ON ACCOUNT OF REPRESENTATIONS MADE BY ANY OTHER PERSON. THE OBLIGATIONS OF SELLER ARE LIMITED SOLELY TO THE REPAIR OR REPLACEMENT OF THE DEFECTIVE COMPONENT AND DO NOT EXTEND TO ANY DAMAGE OR HARM RESULTING THEREBY OR THEREFROM. SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO COSTS OF SHELTER, TRANSPORTATION, FOOD, MOVING, STORAGE OR OTHER INCIDENTAL EXPENSES RELATED TO RELOCATION DURING REPAIR OR ANY OTHER COSTS DUE TO LOSS OF USE, INCONVENIENCE OR ANNOYANCE, OR ANY PERSONAL INJURIES ARISING FROM A BREACH OF ANY OF THE LIMITED WARRANTIES DESCRIBED IN THIS AGREEMENT. IF ANY DEFECT IS DISCOVERED DURING THE APPLICABLE WARRANTY PERIOD, SELLER SHALL HAVE THE EXCLUSIVE RIGHT TO DETERMINE WHETHER THE DEFECT SHALL BE CORRECTED BY REPAIR, ADJUSTMENT OR REPLACEMENT. NO LIMITED WARRANTY CONTAINED HEREIN COVERS A DEFECTIVE PORTION OF THE PROPERTY THAT HAS BEEN SUBJECT TO MISUSE, ALTERATION OR ACCIDENTAL DAMAGE (CAUSED BY PERSONS OTHER THAN SELLER'S EMPLOYEES AND AGENTS) OR HAS NOT BEEN AFFORDED REASONABLE CARE.

32. TIME OF THE ESSENCE-DEFAULT

Except as otherwise stated in this Agreement, the said time for Settlement and all other times referred to for the performance of any obligations of this Agreement are hereby agreed to be of the essence of this Agreement. For the purposes of this Agreement, number of days will be counted from the date of execution, by excluding the day this Agreement was executed and including the last day of the time period.

33. BUYER'S DEFAULT

Should Buyer:

- (A) Fail to make any additional payments as specified in Paragraph 4; OR
- (B) Furnish false or incomplete information to Seller, Listing Broker, Selling Broker or mortgage lender, if any, concerning Buyer's legal or financial status, or fail to cooperate in the processing of the mortgage loan application, which acts would result in the failure to obtain the approval of a mortgage loan commitment; OR
- (C) Violate or fail to fulfill and perform other terms or conditions of this Agreement;
- (D) then in such case, Seller has the option of retaining all sums paid by Buyer, including the deposit monies and monies paid for options, extras, and/or alterations, 1) on account of the total purchase price, or 2) as monies to be applied to Seller's damages, or 3) as liquidated damages, for such breach as Seller may elect.

If Seller elects to retain all sums paid by Buyer, including deposit monies and monies paid for options, extras and/or alterations, as liquidated damages, Buyer and Seller will be released from further liability or obligation and this Agreement will be VOID.

If Seller does not elect to retain all sums paid by Buyer as liquidated damages, Seller may proceed with an action at law for all damages sustained by Seller, including, but not limited to loss of bargain, consequential damages and attorney's fees.

34. SELLER'S DEFAULT

If Seller defaults hereunder, Buyer's sole remedy shall be to recover the Hand Money, in which event this Agreement will be null and void and BOTH PARTIES WILL THEREUPON BE RELEASED OF ALL FURTHER LIABILITY HEREUNDER, it being acknowledged that such sum is a reasonable estimation of Buyer's damages in the event of a default by Seller.

35. LOAN CHOICE DISCLOSURE

Multi Family Homes

- Not Applicable.**
- I elect to use Princeton Financial, LLC/Riley Settlement Services for the financing of my new home. SVA agrees to pay \$1,500 toward closing costs. The amount is reflected in Section 8, Paragraph D Seller Assist.**
- I elect NOT to use Princeton Financial, LLC and understand that SVA will NOT pay \$1,500 of the loan amount toward my financing.**
- CASH. I will provide evidence of funds available for purchase of my new home.**

If buyer elects to use an outside lender for financing, they still must receive a pre-approval letter from Princeton Financial, LLC in order to proceed with construction.

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

Buyer and Seller acknowledge that they have read and understand that notices and explanatory information set forth in this Agreement.

Buyer acknowledges receiving a copy of this Agreement at the time of signing.

NOTICE TO PARTIES: WHEN SIGNED BY THE SELLER, THIS AGREEMENT IS A BINDING CONTRACT. RETURN OF THIS AGREEMENT, AND ALL ADDENDA, BEARING THE SIGNATURES OF ALL PARTIES, CONSTITUTES ACCEPTANCE OF THIS AGREEMENT.

WITNESS:

BUYER:

[SALESPERSON] Date
Village at Sweetwater Associates

[FIRSTNAME0000] [MIDDLEINITIAL0000] Date
[LASTNAME0000]

Date

[FIRSTNAME0001] [MIDDLEINITIAL0001] Date
[LASTNAME0001]

SELLER: Village at Sweetwater Associates
By: Sweet-Beaver, LLC

By: _____
Manager Date

By: Beaver Hall Associates, LLP
By: Beaver Hall Management, LLC, General
Partner

By: _____
Manager Date

Buyer 1 Initials _____

Seller's Initials _____

Buyer 2 Initials _____

Quality Commitment Home Warranty and Service Procedures

[LOTNUMBER] [DESCRIPTION]

[FIRSTNAME0000] [MIDDLEINITIAL0000] [LASTNAME0000]

[FIRSTNAME0001] [MIDDLEINITIAL0001] [LASTNAME0001]

[ADDRESS1]

[ADDRESS2]

[ADDRESS3] COUNTY

Table of Contents

1-YEAR SERVICE COVERAGE	4
2-YEAR SERVICE COVERAGE	4
2-YEAR STRUCTURAL COVERAGE.....	4
NON-TRANSFERABLE COVERAGE	6
MANUFACTURER'S WARRANTIES:.....	6
LIMITATION OF LIABILITY	7
EXCLUSIONS FROM COVERAGE:.....	8
NO OTHER EXPRESS WARRANTIES:	13
WARRANTY CONDITIONS AND PROCEDURES:.....	13
LATENT DEFECTS.....	16
SUPPLIER AND EQUIPMENT SERVICE.....	17
NON-WARRANTABLE CONDITIONS	19
NON-WARRANTED ITEMS IF NOT NOTED ON PRE-SETTLEMENT INSPECTION	22
NON-WARRANTABLE CONDITIONS IF NOT NOTED ON 60-DAY FINAL INSPECTION	25
WARRANTABLE ITEMS 60 DAYS AFTER CLOSING	26
NON-WARRANTABLE ITEMS	26
HOMEOWNER MAINTENANCE TIPS.....	29
LAWN CARE RECOMMENDATIONS.....	ERROR! BOOKMARK NOT DEFINED.
ADDITIONAL PROVISIONS	55
WARRANTY	60

1-YEAR SERVICE COVERAGE, We warrant that for a period of one (1) year after "Closing" that all elements not otherwise expressly limited or excluded in the warranty to be free of defects in materials and workmanship of the original construction.

2-YEAR SERVICE COVERAGE, We warrant the workability of the plumbing, electrical, heating, ventilation and air conditioning for a period of two (2) years after the "Closing". However, should any alterations, modifications or changes be made to the plumbing, electrical, heating, ventilation and/or air conditioning by any persons other than Village at Sweetwater Associates (hereinafter referred to as VSA) and/or its subcontractors, VSA's 2 year service contract will be void and VSA and/or its subcontractors shall not be responsible for any repairs for any work done to the aforementioned systems by you or your contractor.

2-YEAR STRUCTURAL COVERAGE, We warrant, that for a period of 2 (Two) years after the Closing, that the home will be free of major structural defects. For purposes of this Limited Warranty, a major structural defect is defined as actual physical damage to one or more of the load bearing segments of the home causing the failure of the major structural components, which affects its load bearing function to the degree that it materially affects the physical safety of the occupants of the home. Load bearing components of the home deemed to have major structural defect potential include the following: roof framing members (rafters and trusses), floor framing members (joists and trusses), bearing walls, bearing columns, lintels, load bearing beams and foundation systems and footings. We will repair or replace such items to restore their load bearing functions, as designed, and make such other repairs as are necessary to return the home to safe living conditions and habitability. However, should any alterations, modifications or additions be made to the home which result in structural damage to the home, VSA's 12-year structural warranty shall become void. Alterations, modifications, and additions include but are not limited to the installation of a deck, porch, and/or porch roof.

NON-TRANSFERABLE COVERAGE, VSA warranty and service procedures are non-transferable. Any obligation under it terminates if the property is resold or shall cease to be occupied by the homeowner to whom it was originally issued.

MANUFACTURER'S WARRANTIES: The manufacturers of certain appliances and equipment may issue their own warranty directly to you. The manufacturers of other appliances and equipment may issue their own warranty to us, which we hereby assign and pass through to you. Each will be for its own period of time and will cover such usage as is specifically outlined in each separate warranty and to which you are directed. The following are examples of such appliances and equipment, though not every home includes all of these items and some homes may include appliances or equipment not in this list: air conditioner, exhaust fan, furnace, smoke detector, garbage disposal, faucets, water heater, range, oven, microwave oven, dishwasher, range hood, sump pump, shower modules, toilets, light fixtures, fireplace units and windows. VSA warranty and service procedures do not extend beyond the product warranty or manufacturer's warranty.

LIMITATION OF LIABILITY: It is understood and agreed that VSA's liability under this warranty whether in contract, in tort, in negligence or otherwise, is limited to the remedy provided in this Limited Warranty. VSA's obligations under this Limited Warranty and under the Purchase Agreement are limited to repair and replacement. Under no circumstances shall VSA be liable for any special, indirect or consequential damages, including without limitation any damages based on a claimed decrease in the value of the home, even if VSA has been advised of the possibility of such damages.

EXCLUSIONS FROM COVERAGE: This Limited Warranty **does not** extend to or include the following:

- A. Defects in any appliance, piece of equipment or other item, which is covered by a manufacturer's warranty.
- B. Loss or damage caused or made worse by failure of homeowner or by anyone other than VSA, its employees, agents or subcontractors to comply with the warranty requirements of manufacturer's products, appliances and equipment.
- C. Loss or damage caused by or made worse by negligence, improper maintenance or intentional or improper operation by anyone other than VSA, its employees, agents, or subcontractors.

- D. Loss or damage caused or made worse by lack of maintenance, changes, alterations or additions made to the home, including but not limited to changes in the grading of the ground, etc. after the Closing by anyone other than VSA, its employees, agents or subcontractors.
- E. Under no circumstances will VSA warrant any work performed by its employees, agents or subcontractors that is outside the scope of work authorized in writing by VSA.
- F. Loss or damage caused by or resulting from abnormal loading of structural elements by homeowner, which exceeds design loads as mandated by codes.
- G. Any Defect caused by moisture, rot, mildew, mold, or rust.
- H. Loss or damage caused or made worse by failure by homeowner to give notice to VSA of any defects within reasonable time.
- I. Loss or damage, which the homeowner has not taken timely action to minimize.
- J. Loss or damage resulting from use of the home for non-residential purposes.
- K. The condition of PUBLIC (non-VSA) improvements including pavement, curbs, sidewalks, sewers, drainage systems, electrical, gas, water, telephone laterals and connections located in rights-of-way or on private property, any portion of a Water Supply System, private or public, including volume and pressure of water flow, quality and portability of water, and any portion of a Sewage Disposal System, private or public, including design.
- L. Loss or damage to any real property which is not part of the home (land is not considered part of the home) covered by this Limited Warranty and which is not included in the original purchase price of the home as stated in the closing documents or vegetation due to topography, sinking, slippage, water springs and wetlands or soil erosion.
- M. Loss or damage caused by electrical devices hooked to sources of power. Such devices shall include, but not be limited to, appliances, telephone systems, television cable systems, intercom systems, computer systems and security systems. Sources of power shall include, but not be limited to, service entrance conductors, switches, outlets, receptacles and junction boxes.
- N. Any defect caused by, or resulting from materials or work supplied by someone other than VSA, its employees, agents or subcontractors.
- O. Loss or damage caused by or resulting from accidents, riot and civil commotion, theft, vandalism, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind driven water and changes in the underground water table.
- P. Loss caused by soil movement, including subsidence, expansion or lateral movement of the soil (including flood and earthquake), which is covered by any other insurance or for which compensation is granted by legislation.
- Q. Loss or damage to the home, persons or property directly or indirectly caused by insects, birds, vermin, rodents or other wild or domestic animals.
- R. Normal wear and tear or normal deterioration.
- S. Personal property damage or bodily injury of any kind.
- T. Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair or any other costs due to loss of use, inconvenience or annoyance.
- U. Loss or damage, not otherwise excluded under this Limited Warranty, which does not constitute a defect in the construction of the home.
- V. After the Pre-Closing Walkthrough list have been conducted, this Limited Warranty will not include landscaping, seeding and sod, painting and caulking, expansion cracks in concrete, shrinkage of wood, cosmetic items including nicks, scratches, scuffs, scrapes and dents on but not limited to doors, cabinets, windows, mirrors, woodwork, walls and ceilings, countertops and vanity tops, tubs, sinks and showers, cabinet finish and exterior hardware fixture finishes.

NO OTHER EXPRESS WARRANTIES: This Limited Warranty is the only express warranty we give. We are not liable for any consequential or incidental damages arising as a result of a limited warranty claim. This Limited Warranty gives you specific legal rights. VSA's aggregate total Liability shall not exceed the original contract price of the home.

WARRANTY CONDITIONS AND PROCEDURES: The following warranty conditions and procedures are outlined for your information and guidance to insure orderly and systematic handling of each warranty request. Your cooperation and compliance with these procedures is requested.

All warranty service calls can be made between the hours of:
8:00 a.m. and 4:00 p.m., Monday through Friday. Excluding holidays.

In case of emergency or routine questions VSA recommends that if you contact the Heating/Cooling, Plumbing or Electric directly.

Homeowner's may contact the Warranty Department at:

Phone: (724) 271-3003
Fax: (724) 746-1756
E-mail: Warranty@LoveHeartland.com

Calls or e-mails will be returned by the end of the next business day.

Procedure FOR 60 DAY FINAL INSPECTION: Maintain a list of such items as each comes to your attention and return same to the office via e-mail or fax no later than Sixty-Five (65) days after closing on your home. If VSA does not receive written notification of your sixty-day final inspection list with in sixty-five days of closing; Homeowner waives their rights to the final inspection corrections to be made. Only one list should be submitted. (See above phone number and e-mail address) All items determined to be the responsibility of VSA, will be scheduled for correction or forwarded to the appropriate subcontractor to schedule repairs with the homeowners at the earliest possible date. Other items, if any, will be discussed with the homeowner with suggestion for possible solution. The completion of the "60- Day Final" items will constitute completion of your home.

Any damage including scratches, dings, or nicks on any surface including but not limited to: counter tops, cabinetry, flooring, windows, drywall, tubs, showers, sinks, toilets, trim work, light fixtures, or any other area interior or exterior will not be considered for repair after the pre-settlement walk-through. All damage must be noted on the pre-settlement inspection list to be considered the responsibility of VSA. Any damage will be the homeowner responsibility after closing. Therefore, damaged items cannot be included on the 60-day final inspection.

ANY WARRANTY CLAIM FILED WITH OUR OFFICE AFTER THE 60-DAY LIST HAS BEEN COMPLETED WILL ONLY BE REPAIRED IF IT IS COVERED UNDER THIS WARRANTY. ITEMS THAT WERE NOT NOTED ON THE PRE-SETTLEMENT INSPECTION OR 60-DAY FINAL INSPECTION WILL NOT BE CORRECTED BY VSA AND ARE CONSIDERED HOMEOWNER MAINTENANCE AND RESPONSIBILITY.

ANY SERVICE RELATED PROBLEM SHOULD BE SUBMITTED IN WRITTEN FORM TO THE WARRANTY DEPARTMENT.

LATENT DEFECTS

A latent defect in construction is defined as a defect at time of occupancy but which becomes apparent within 60 days from date of closing. It is stressed, however, that normal characteristics, behavior of building, wear and tear, and general maintenance and like items, will not constitute a latent defect.

NOTICE OF DEFECTS: Notice of any defects covered by this limited warranty must be given to VSA within sixty days (60) after the closing on your home. Such notices must be sent to VSA main office. VSA is not responsible for any defects covered by this limited warranty for which such written notice is not mailed to us within sixty (60) days after closing. Written notice is required even if you have verbally communicated the issue with a VSA agent.

Procedure: Should it appear that a possible latent defect (non-emergency) has developed, outline all pertinent details in a letter, in duplicate, addressed to VSA. Following the receipt of your letter, a responsible member of our company will make an inspection. If a latent defect exists, remedial action will be scheduled as soon as possible.

SUPPLIER AND EQUIPMENT SERVICE

A supplier service item usually constitutes a malfunction in equipment (i.e. dishwasher, fireplace, faucet, appliances).

Procedure: To insure prompt attention, please refer to the subcontractor roster, which has been provided. Contact the service department of the applicable equipment supplier or subcontractor noted. A telephone call, particularly on an emergency item, should insure expedient attention. However, if the service is lacking, please advise the builder's customer service department.

***Important Note:** Read all bulletins and manuals concerning your appliance and/or other equipment. Please complete all papers included by the manufacturer regarding warranties and mail them to the appropriate company. Experience dictates caution in checking probable causes for equipment or appliance malfunctions. Oftentimes it may be that the item is not being operated properly; or it may be the power, plumbing, or other factor related to the functioning thereof. Accurate appraisal will aid in expediting corrective action if a service request is in order.

VSA and its equipment suppliers are always ready to correct malfunctions or defects under the specified warranties; however, undue service or inspection requests must be charged for on the basis and/ or materials involved.

NON-WARRANTABLE CONDITIONS

The following items are non-warrantable conditions.

I. CRACKS

- A. Concrete patios, porches, steps, walks and drives and floors can develop cracks due to concrete's character of expanding and contracting or that of the soil on which it is laid. There is no method for eliminating this condition.
- B. Mortar cracks can develop in the mortar used in bonding bricks together. This is a normal condition due to shrinkage in either the mortar or the brick. Hairline cracks due to shrinkage in mortar joints are normal. Cracks should not exceed 1/4 inch. Repair can be done by pointing or patching cracks in excess of 1/4 inch. Color variation can be expected.
Note: Fireplace mortar needs to be cured and tempered before being subjected to severe heat. Temper your fireplace with two or three fires. Color variation in mortar joints can occur due to weather conditions and variations in materials and is not considered a defect.
- C. Sheetrock, paneling, wood-shrinkage cracks can appear during "drying out" process of your home. This is normal.
- D. Cracking, separation, and / or shrinkage in woodwork molding due to moisture content is also non-warrantable. VSA will not re-caulk or repaint interior or exterior woodwork.
- E. Minor basement and garage floor cracks are normal and to be expected. Cracks exceeding 1/4 inch width or 1/4 inch vertical displacement will be repaired by surface patching. Color variation may occur. In no case will basement or garage floor be replaced by VSA.

II. OIL SPOTS ON MARBLE OR TILES

- A. These materials are porous and will absorb oil if it is allowed to stand and penetrate. The best protection is regular cleaning and care.

III. DIRT STAINS IN CONCRETE

- A. VSA is not responsible for dirt stains on concrete surfaces, interior or exterior.

IV. BRICK DISCOLORATION

- A. Bricks may discolor due to the elements, rain runoff, weathering or its innate materials. This in no way affects the structural quality of the brick.
- B. NOTE: Power Washing Brick may change the appearance of the brick.

V. BRICK NON-UNIFORMITY

- A. Non-uniformity or appearance, condition, size, texture, or popping and breaking up of used brick after it is laid.

NON-WARRANTED ITEMS IF NOT NOTED ON PRE-SETTLEMENT INSPECTION

The following items are non-warrantable conditions if not noted on the pre-settlement walk-through.

I. BROKEN GLASS, SCRATCHED GLASS, SCREENS, GRILLS, WOOD-TRIM AND SASH LINERS

- A. Manufacturer's warranty applies.

II. MIRROR DEFECTS

- A. Top quality mirrors have been used. Possible defects such as waves in the glass, scratches, silvering failures, would have been obvious on your pre-settlement inspection. Mirror silvering can be affected by steam and minute oil particles. Take care not to touch the silver with cleaning compounds or oil.

III. STAINED WOOD

- A. Wood cabinets, paneling, doors, and banisters all have variations in wood grain. These variations cannot be controlled.

IV. CHIPS, SCRATCHES, OR MARKS

- A. Chips, scratches, or marks in the woodwork, walls, porcelain, brick, mirrors, plumbing fixtures, counter tops, cabinetry, showers, tubs, sinks and flooring etc. not recognized at time of final inspection.

V. EXTERIOR CONCRETE, WALKS, MUNICIPAL SIDEWALKS, WALLS, DRIVEWAYS, AND PORCHES

- A. Walks will only be reset one time during the first three months of occupancy.

VI. SPOTS ON CARPETING

- A. VSA is not responsible for carpet staining.

VII. SERVICE COMPANY PROBLEMS

- A. Service company motor problems, service lines installed by developer, municipality or Service Company and backfilling or sloping thereof.

VIII. PAINT

- A. Quality paint has been used internally and externally on your home, properly primed and finished. Color fastness under conditions of exposure to extreme sun and weather conditions cannot be maintained, although wood surfaces will still have protection of paint. Cracks, and peeling are common due to causes other than the paint or its application (allowing lawn sprinklers to hit painted areas will greatly reduce the life expectancy of the painted areas involved. VSA will not be responsible for touch up painting after the pre-settlement walk through. You will be provided touch up paint for those areas that may need attention.

IX. EXTERIOR PAINT

- A. VSA is not responsible for exterior maintenance and or Painting on all wood trim including railings, garage doors, and misc. decorative trim after the pre-settlement walk through. All wood trim and all painted surfaces should be inspected by homeowner and repainted and caulked as necessary. Homeowners should assure that sprinkler systems do not reach the house.

NON-WARRANTABLE CONDITIONS IF NOT NOTED ON 60-DAY FINAL INSPECTION

The following items are non-warrantable conditions if not noted on the 60-day final inspection.

I. DRIPPING FAUCETS, TOILET ADJUSTMENTS, AND SEWERS HAVE A (30) DAY WARRANTY ONLY.

- A. Manufacturers warranty is applicable.
- B. Clogged toilets or drains are non-warrantable items and the plumbers will charge customers a service call fee.

II. ADJUSTING DOORS

- A. VSA will adjust doors only if noted on the 60-day final inspection.
- B. Please see Homeowner Tips for further instructions on ways to adjust the doors.

WARRANTABLE ITEMS 60 DAYS AFTER CLOSING

The following items are warrantable conditions 60 days after closing.

I. DRYWALL GUARANTEE

- A. VSA guarantees the drywall in your home for a period of one year. VSA is not responsible for repainting drywall repairs. It is the homeowner's responsibility to request service within 12 months from closing.

NON-WARRANTABLE ITEMS

The following items are non-warrantable.

- A. **Hardwood Floors:** Flooring material and finish are non-warrantable items. Both pre-finished and finished-in-place hardwood floors are susceptible to scratching and denting with normal use. Care should be taken to minimize damage from pets, footwear \ high heels, etc.
- B. **VSA:** Is not responsible for plastic molded trim on exterior doors when doors are painted a dark color or when a storm door is installed.
- C. **VSA:** Is not responsible for lot conditions pertaining to subsurface soil conditions, ground water, slides, springs, rock removal, or fill placed on lots.
- D. **VSA:** Is not responsible for erosion or settlement on Unpaved/ gravel driveways. Gravel or stone will not be added or re-installed any time after closing.
- E. **VSA:** Is not responsible for shrinkage or cracking and/or Gathering of water on smooth concrete surfaces or asphalt driveways.
- F. **VSA:** Is not responsible for any problems related to damage caused by wind, ice/snow buildup, or severe storms. eg. vinyl siding, soffit, fascia, shingles or wood trim, or landscaping.
- G. **VSA:** Is not responsible for slope areas on garage or basement floors in relation to floor drains. Water must be broomed to floor drains in both basement and garage
- H. **VSA** Does not finish the basement or garage areas. This includes around doors, garage doors or windows.
- I. **Floor Squeaks:** Floor squeaks may develop due to natural conditions (i.e. humidity, temperature change, natural shrinkage, moisture content of materials) VSA is not responsible for floor squeaks.

Homeowner Maintenance Tips

We offer the following suggestions in order to help you maintain your new home in top condition with minimal effort.

BASEMENT AND GARAGE FLOORS

Concrete will contract and expand due to changing temperatures. Cracks are a normal expectation and are best left alone. Attempts to fill them will not stop expansion and contraction and filling material (if used) will be continually forced out of the crack. Because of the nature of the concrete material, some minor low spots may occur on your basement floor. Therefore, some sections of the floor may have to be broom swept during cleaning. Cracks or low spots will not affect the overall strength of the floor. Color variation of concrete is normal. Color will become more uniform with age. Occasionally, basement floors will collect water as a result of condensation of warm, moist air on the cold basement floor. Mildew may result from this moist condition.

Note: VSA is not responsible for the slope on garage floor, basement floors, or porch surfaces.

CARPETING

Carpet maintenance should be tailored to the specific fiber used in the carpet. Generally, carpet includes vacuuming and prompt attention to spills. Our carpets were selected for their ability to withstand day-in and day-out wear with minimum care. When available, a booklet will be given to you when selecting your carpets, which will prescribe a carpet care program for your specific carpet pile fiber. Seams and color variations (shading) may be evident depending on the style of carpeting and the pile fiber you have chosen. Some color fading may occur due to constant exposure to direct sunlight. Closing drapes during certain times of the day will help prevent such fading. VSA is not responsible for color variation in carpet.

CERAMIC TILE

A separation between the tub and the wall tile and / or cracking of joints between ceramic tile and tub and shower stall corners may occur because of excessive moisture in these areas. The weight of water and a bather also contribute to such separation. This is a homeowner's normal maintenance function. Simply remove the old grouting and fill the crack with new grouting compound available at a hardware store. This situation may develop periodically depending on living habits and maintenance. Normally, a wipe with a damp cloth will keep the tile clean. Heavy accumulations of film can be removed with soapless detergent or tile cleaner. A light brushing with diluted bleach once or twice a year can maintain the whiteness of the seams.

Ceramic tile is not warranted after 60 days from closing.

CONDENSATION AND HUMIDITY

Relative humidity, which is usually expressed in a percentage figure, means the percentage of water vapor in the air compared to the maximum amount of water vapor that could be possibly be present in the air at a given temperature. The key word here is temperature because as temperature increases, the capacity of air to hold moisture increases. Therefore, there is considerably more actual moisture in 70 degrees air with 40% relative humidity than there is 0 degrees air with 40 % relative humidity.

In older homes it was possible for great volumes of colder air, with lower quantities of moisture, to leak into the structure, in the winter, if moisture was not added to these older homes, they often had a dry feeling. With your new home, we have attempted to prevent any significant quantity of outdoor air from entering so that the relative humidity should remain in a comfortable range.

On the other hand, the "tightness" of your home restricts outdoor air from entering and lowering the relative humidity. Moisture introduced by you inside of the house has less chance to escape and may create a high humidity condition in the house. The first sign of excess moisture is usually condensation on windows, glass doors, basement walls, or pipes in the basement.

"Condensation" is defined as "the reduction to a denser form (as from steam to water)". Condensation takes place in a home whenever warm, moist air comes into contact with cooler surfaces such as windows and basement walls. Individual living habits vary and so does the amount of relative humidity. Condensation on your windows is an indication that the humidity is too high. Things that affect relative humidity in the house are use of showers, dishwasher and laundry, canning and other cooking, and an abundance of plants. In fact, a family of four will put an average of 18 gallons of water into the house.

You must take precautions to prevent humidity levels from becoming high enough to cause condensation. If you see condensation occurring, you should increase the use of ventilating fans and open the dryer vent and / or windows slightly while doing laundry. For precise control, you may want to purchase a dehumidifier.

DOORS

Tips for Adjusting Doors

Your new home is equipped with a variety of door types. These will react differently under various weather and humidity conditions. Exterior doors are equipped with a weather-stripping, which provides maximum seal against air filtration. Occasional spraying of graphite into key slots of lock sets, tightening of lock set screws, and keeper adjustment will assure you of maintenance free operation of your door locks.

On interior wood doors, whether bi-fold or six panel, certain other traits are apparent. A certain amount of expansion and contraction in width is normal due to changing temperatures and humidity. Doors will be wider in the summer and in humid periods and narrower in dry weather conditions. Therefore, do not be hasty in adjusting, planning or cutting your doors, as it will tend to correct itself.

Sticking is the most common problem with doors. If the sticking is caused by swelling in damp weather, fold a piece of sandpaper around a wooden block and sand the edge that binds. If sticking is the result of uneven alignment, check to see that the hinge screws are tight and holding properly. Always paint or varnish the area that has been sanded or planed to protect the wood from moisture infiltration.

Warping is another result of too much moisture. The National Door Manufactures Standard states; in order that a door be branded "warped" it must be warped a minimum of $\frac{3}{4}$ " and remain warped $\frac{3}{4}$ " through the warmer months while being closed tight against the stop at the lock. Should a door ever warp, it can sometimes be corrected by simply pulling it tightly shut against the doorstop and leaving it shut for several days.

Bi-fold doors will need to be adjusted from time to time. Keep tracks, pivots, and guides, free of paint and dirt. A little wax or silicone spray applied to the guide edges of the track will allow the doors to operate smoothly.

The moving parts of **garage doors** should be oiled about once every three months. The screws that tighten the hardware to the door should be tightened about once a year, or as necessary, because the wood shrinks a little as it ages.

Caulking around all exterior openings should be oiled about once every spring and fall. Caulking can easily be repaired with caulking compound, which can be purchased from most hardware stores.

All doors must be caulked and pointed on a regular basis. We recommend every other year depending on weather conditions and exposure. VSA will not adjust doors after the 60-day final inspection.

ELECTRICAL SYSTEM

To provide complete safety, high quality wiring, outlets and switches have been installed to meet local and federal standards and safety. Part of the electrical system is located in the circuit breaker terminal box. It is here that electrical power enters and is distributed throughout the house.

Large appliances or too many small appliances on one circuit may cause the circuit breaker to trip. Other causes of breaker tripping are:

1. Worn out cords
2. Defective plug connections
3. Defects in the appliances themselves
4. Starting of electrical motors (starting uses more current than running)

To restore electrical power to its circuit do the following:

1. Remove plug(s) which may be causing the overloading
2. Reset the switch by pushing it all the way to the off position, and then push the switch to the on position. If the reset switch automatically switches off again, your circuit is still overloaded or that particular circuit has a short. If one circuit continues to break, call the electrician.

Light fixtures require various wattage's of bulbs. The instructions on the fixture should be followed carefully. Problems with appliances should be directed to the manufacturer involved.

"Do- it- yourself" electrical wiring is dangerous. The electrical circuits in your home have been designed for trouble free service and safety. If you desire additional wiring, call a licensed electrician. Do not jeopardize your home and family by installing unauthorized circuits. Ground fault interrupter receptacles and circuits are a non-warrantable item.

SMOKE DETECTORS: According to industry standards, smoke detectors should be hose vacuumed and batteries replaced every three (3) months. VSA is not responsible for the maintenance or operation of any smoke detectors installed in the home.

FOUNDATION WALLS

The foundation walls are subject to a wide variety of stresses and strains. The base of the wall, being in the ground, maintains a fairly constant temperature; the top portion extending out of the ground is subject to temperature extremes causing concrete masonry to expand and contract.

The soil on which the foundation rests may settle slightly, causing stress. Do not be alarmed if you see cracks in your foundation wall. Minor cracks normally require no action.

If a large crack does appear, please inform the VSA office and a representative will inspect it.

Damp spots on foundation walls do not constitute a wet basement. VSA is not responsible for damp spots on foundation walls.

HEATING AND COOLING

A complete and correct understanding of your heating and cooling equipment can help you minimize you energy consumption. One basic rule applies to all systems: During the heating season, the thermostat should be set to maintain the lowest temperature at which you are comfortable.

Each degree of higher temperature setting, results in a marked increase in the fuel consumption. Likewise, during the cooling season, each degree of lower setting increases fuel consumption by a significant amount. All heating systems except baseboard and ceiling cable utilize a furnace, ductwork, registers, filter and a thermostat to control the temperature in the house. Indoors design temperature for cooling according to ACCA (Air Conditioning Contractors of America) manual "J" residential load calculations: If outside

temperature is 88 degrees Fahrenheit, then the inside should be 75 degrees Fahrenheit. For heating, standards indicate that, if it is 7F outside, than it should be 70F inside.

THERMOSTAT

The thermostat will be your primary concern with all systems. The thermostat controls the temperature produced by the heating system.

Individual room temperature may be further controlled by adjusting the individual registers on the dampers in the ducts from the furnace to the registers. If your home is heated by a warm air system, your thermostat may also have controls for converting the system from heating to cooling and vice versa.

We recommend that you set the thermostat at 68 degrees. Frequently changing the thermostat wastes fuel. However, with a gas or electric furnace, (but not with heat pump systems) you may wish to adjust your thermostat to a lower setting at night or during time when you are out of the house.

With heat pump systems, the thermostat also includes a fan selector switch. This will enable you to operate your circulating fan only to prevent air stagnation when neither heating nor cooling is required.

REGISTERS

The registers in your house help to regulate the flow of air and to maintain the desired temperature. Personal taste in comfort levels may require slight adjustments in the registers to keep each living area at the desired temperature.

If your lower level is too cool in the winter, start closing upper level registers until the desired results are obtained.

MAINTENANCE

In all forced air-heating systems, the basic requirement for maintaining economical operation of your furnace is to **keep the air filter clean**. Building activity in and around the home creates excessive amounts of dust and dirt, so check the filter about once a month after moving in. The filter should be replaced or cleaned at the beginning and at the middle of each heating season.

With heat pump systems, it is important to keep leaves and snow from around the outdoor unit, and to keep the unit level for maximum efficiency.

You might also notice steam rising from your outdoor heat pump unit during the colder winter weather. This is normal when the unit is completing its defrost cycle.

SERVICE

There are some things you should check prior to calling for service.

1. If your system is operating but is not providing adequate heating (cooling) check:
 - a. Filter
 - b. Thermostat setting - another family member may have changed the setting
2. If your system does not function at all, check the following:
 - a. If your home is equipped with a gas furnace, check the pilot light. (It should be visible near the main burner.) If it has gone out, you may re-light it safely by following the instructions printed on the unit.
 - b. With all systems, check the circuit breakers and fuses to see if they have tripped. Switching all the way to "off" and then to "on" may reset circuit breakers.

If the circuit breakers trip frequently or immediately after resetting, call a serviceman. Interruptions of power (such as during electrical storms when lights blink) can cause a circuit breaker to trip. If your system malfunctions during or just after a thunderstorm, the circuit breaker would be the first item to check.

Any system should be checked and cleaned periodically by a professional repairman. See the instruction manual for the recommended frequency of this care for your system.

GRADING

Proper grading is essential to provide and maintain a dry basement. We have provided proper drainage around your home. In some cases, the addition of swales and mounding around the outside of the foundation wall may have been necessary. It is important that the established grades be maintained and the ditches remain open so that surface water may flow away from your home. We will provide, on a one-time basis, material only to fill any sunken areas next to the foundation. It is homeowners' responsibility for filling and reseeding affected areas.

The grading will be accomplished to cause the water to flow away from your home. When necessary, a ditch will be provided to direct water so it will run off without causing damage to the foundation. The grades are established to prevent to the extent possible any wet basement that may arise. If the homeowner performs the landscaping phase of construction, the dry basement guarantee is void. The temporary ditches are not attractive and are intended as a temporary measure to reduce damage until such a time as you can get ground coverage on all of your lot and thus do away with the need for ditches. It will be necessary for you to maintain the established grades and to keep these ditches open so that they will serve their purpose. If water is allowed to stand in your yard, especially near the house, it will force its way into the basement, through waterproofing and masonry. Thus, you may have to fill some sunken places next to the house in order to maintain the proper grade in addition to keeping the drainage ditches open.

VSA RESERVES THE RIGHT TO DETERMINE THE SETTING AND GRADING OF ALL HOMES.

WATERPROOFING

Because masonry basement walls are not waterproof in themselves, we have taken several steps to prevent water from entering your basement. We have waterproofed the outside of the foundation below grade with a high quality waterproofing material. We have installed interior and exterior perimeter drainage to direct any water that may accumulate at the base of the foundation to an approved location determined by the local municipality.

It is important that you keep the ends of these drain relief pipes clear so that water flowing from around the foundation is not blocked at the street. We have established the grade around the outside of the house to carry the water away from your house. (See Landscaping)

We suggest that you avoid planting shrubbery too close to the foundation. Never water your lawn or shrubs toward the foundation. Soil in shrub beds should be packed and banked so that water will drain away from your house.

RESILIENT FLOORS

Resilient floors include vinyl, linoleum, cork, asphalt, and vinyl asbestos tile. We have chosen these floors for their design, availability, and resistance to wear. Some items that you should be aware of include:

1. Raised nail heads are caused by movement of the floor joists because of shrinkage and deflection. We have attempted to minimize the problem by using special nails and by gluing the plywood to minimize the number of nails required.

2. We suggest that you re-drive these nails by placing a 2 x 4 on the raised nail head and then hitting the 2 x 4 and/or trowel with a hammer. The 2 x 4 spreads the area of shock and will not break the tile while resetting the nail.
3. Tile or resilient separation or seam lifting is normally caused by water seeping between the tiles during floor cleaning. Floors should be damp mopped not flooded with water during cleaning. Precautionary measures should be taken to avoid getting water on the floor from showers and baths. A waterproof grout, available at most hardware stores, may be used at the junction of the tub and floor to eliminate the possibility of water getting beneath the tile/ resilient at this point.
4. Floor tiles often separate near heat registers or at the outside walls of a room. The heat from the registers softens the flue (mastic) and causes the tile to move when stepped on or when a chair is pushed against it. Expansion and contraction of underlayment (where used) or sub-flooring and of the tiles themselves also cause separation. We have sanded the underlayment joints and filled them to minimize the possible problem of ridges showing through you tile. Minor ridging may occur due to shrinkage of the underlayment.
5. VSA is not responsible for any problems with resilient floors if they are not identified at the Pre-Settlement walk through

ROOFS, GUTTERS, AND DOWNSPOUTS

If your roofing material is composition shingles, they will be a "seal down" shingle. These shingles have mastic applied to the underside of the shingle, and once the sun hits the roof, the mastic seals the upper shingle to the one beneath it.

Special care should be taken to avoid damaging your roof when installing television or radio antennas. A careless job can cause serious leaks. Excessive traffic (walking) on the roof can cause damage. Do not face-nail shingles if they come loose.

It is your responsibility to keep gutters and downspouts clear of tree limbs, leaves, balls, and other obstructions, which can stop the downspouts from functioning properly. It is most important to check gutters in the fall since the most serious damage to your home will result in the winter if gutters and downspouts are obstructed. Ice buildup at gutters loose from the house. Ice buildup can also cause water to back up under the shingles and leak into the louse. We will not be responsible for roof, gutter, downspout, or related damage caused by ice or snow buildup, high winds, or severe storms. You may want to discuss coverage for these kinds of damage with your insurance agent when selecting a homeowner's policy.

WATER HEATER

The water heater in your home, whether gas or electric, is equipped with a temperature and pressure relief valve which is designed to open if excessive pressure or temperature builds up within the tank. When this happens, water is allowed to flow from the tank. This flow of water is coming from the relief valve; the water supply to the tank should be shut off.

Refer to your service manual for suggested maintenance of your hot water tank, in all cases, before making any adjustments.

Gas hot water tanks normally have a temperature dial (hot, warm, mild) on the outside of the tank and the temperature can be completely controlled by adjusting the dial.

On an electric hot water heater, because of the inherent danger in resetting the temperature, we suggest you call a serviceman.

*** Under no circumstances should you turn on the electric water heater without water in the tank because the elements will quickly burn out. In case of any emergency with water of hot water heaters, be sure to familiarize yourself with proper places to turn off the water supply. Manufacturers warranty is applicable.**

WATER LINES

All water lines have been installed in your home in accordance with applicable building and plumbing codes.

In some municipalities, water pressure is abnormally high and regulators are installed to reduce water pressure within the home so that washer and appliance life may be maintained. Do not adjust this regulator once it is installed. Exterior hose bib connections must be shut off and drained during the winter season at the inside shut-off-valve bleed line at petcock on inside shut off valve.

WINDOWS

The vinyl portion of your windows will need very little, if any treatment, except cleaning for many years. The screens should be removed and washed with soap and water at least once a year.

The wood sills should be maintained by keeping the sill and tracks clean, and spraying sidetracks with silicone spray. Vinyl liners and jambs should not be painted. Manufacturers warranty is applicable.

MEDIATION

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled in accordance with the construction industry arbitration rules of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction thereof. All hearings shall be held in the city of Pittsburgh, Pennsylvania. For a period of forty-five (45) days from the date of filing a request for arbitration, either party may utilize the Discovery Rules of the Pennsylvania Rules of Civil Procedure. Note: By the execution of this agreement, you waive your right to trial by jury.

	Initials	Date
Buyer	_____	____/____/____
Buyer	_____	____/____/____

ADDITIONAL PROVISIONS

1. **Modification to Dimensions:** Buyers hereby acknowledge and agree that certain dimensions contained on the drawings and/or blueprints for the construction of their dwelling, including but not limited to room size/dimensions, floors to ceiling heights, perimeter dimensions of the house, deck dimensions, concrete slab and/or porch dimensions and porch roof dimensions, may vary from the dimensions of the dwelling as actually constructed. Any such variation shall not be considered a material change and/or modification to the drawings and/or blueprints. VSA shall not be responsible to Buyers for any such change and/or modification.
2. Construction of the dwelling will be done according to VSA internal standards. Buyers shall agree to adhere to said standards and no modifications will be made to the dwelling, which vary from the standards as established by VSA.
3. Similarly, the location of fixtures, including, but not limited to, the furnaces, condensers and/or water heaters may vary from the drawings and/or blueprints. It is agreed that VSA has the exclusive right to determine the actual location on said fixtures.
4. During construction of the dwelling it may not be safe for you to enter the lot or the dwelling. If you desire to visit and/or tour the dwelling, arrangements are to be made during regular business hours (Monday through Friday) with VSA. Under no circumstances should you enter onto the lot or into the dwelling without contacting VSA. This policy is for your own safety.
5. Most properties have easements running across them for utilities services and other reasons. In many cases, the easements do not restrict the ordinary use of the property, and the seller may not be readily aware of them, buyers may wish to determine the existence of easements and restrictions by examining the property and ordering an abstract of the Title or searching the records in the office of The Recorder of Deeds for the County before entering into a Agreement of Sale.
6. VSA expressly disclaims all warranties or representations, express and/or implied, as to the condition of the lot, including but not limited to subsurface soil condition, grading, locations of manholes, catch basins, or the location or presence of easements including but not limited to storm and sanitary sewer lines, cable lines, water lines, electrical lines, and telephone lines.
7. Upon buyer's signing of the Selection Sheet, no changes or revisions shall be made to the selection items. Any items which are not selected by Buyer upon the signing of the Selection Sheet and the sales contract shall be provided to VSA within ten days of the signing of the selection sheet.
8. Buyers acknowledge that municipal sidewalks may be a part of their plan and may affect their lot. VSA is not responsible for the sidewalks or driveway aprons 60 days after completion.
9. For warranty visits that are determined to be homeowner maintenance, there will be a fee of \$75 charged to the homeowner payable to VSA has identified throughout the above warranty what is considered to be homeowner maintenance. Please refer to your warranty, prior to calling the service department.
10. Calls will be evaluated by the warranty department and will be directed to the appropriate sub-contractor. When the sub-contractor evaluates the situation, and it is found to be the responsibility of the homeowner a fee of \$75 will be collected during the visit.
11. Mold can occur in damp, moist or wet places in a house, especially humid spaces such as a basement or bathrooms. It is the homeowner's responsibility to take all reasonable steps to monitor the relative humidity throughout the home to help minimize the potential for mold. Water leaks and mildew must be addressed immediately by the homeowner. Periodic inspections should be conducted of the roof, windows, walls, gutters, basements, HVAC systems and foundations to ensure that an environment conducive to the growth of mold does not exist. VSA will warrant for a period of 1 year after "Closing", your house against any mold detected as a result of defective materials and/or workmanship in the original construction. Any change to the home which results in conditions which foster the growth of mold or any failure by the homeowner to remedy a condition which fosters the growth of mold will void this warranty.
12. It is acknowledged that there are to be no substitutes with regards to subcontractors. It is expressly acknowledged and agreed that VSA, as the builder of the dwelling shall select all subcontractors, material-man and suppliers to be used in the construction of the dwelling, including but not limited to

electricians, plumbers, heat ventilating, and air conditioning, carpet and tile suppliers and installers, painters and landscapers.

13. Customers or agents of customers are not permitted to enter homes under construction for the purpose of doing any form of construction work or making any alterations to the home before the formal closing. Violation of this policy will void all warranties from VSA, its subcontractors and suppliers.

WARRANTY

VSA is unaware of any adverse subsurface soil conditions on the lot including the presence of carbonaceous shale. All warranties express or implied as to subsurface soil conditions are specifically excluded from VSA's Home Warranty and Service Procedures.

Should any provision of VSA's Home Warranty and Service Procedures be declared or be denied or be determined by any court of competent jurisdiction to be invalid or unenforceable, the validity of the remaining parts, terms or provisions of the Home Warranty and Service Procedure shall not be affected and the Home Warranty and Service Procedure shall be construed in all respects as though such invalid or unenforceable provisions were omitted.

Upon buyers' signature of this VSA Homeowners Warranty, it is assumed that homeowner understands and acknowledges the warranty provided to them by VSA and agrees to the service provisions.

[FIRSTNAME0000] [MIDDLEINITIAL0000] [LASTNAME0000]

DATE

[FIRSTNAME0001] [MIDDLEINITIAL0001] [LASTNAME0001]

DATE

[SALESPERSON]
SALES MANAGER, VSA

DATE

Village at Sweetwater Associates

By:

Manager, Sweet-Beaver, LLC, Agent for Village at Sweetwater
Associates

DATE

EXHIBIT "D"

RESALE CERTIFICATE

THE VILLAGE AT SWEETWATER HOMEOWNERS ASSOCIATION

RESALE CERTIFICATE
UNDER SECTION 5407 OF THE
PENNSYLVANIA UNIFORM PLANNED COMMUNITIES ACT

Name of Selling Unit Owner: _____

Unit Being Sold: _____

Date of Resale Certificate: _____

THE VILLAGE AT SWEETWATER HOMEOWNERS ASSOCIATION (hereinafter "the Association") PROVIDES THIS RESALE CERTIFICATE IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 5407 OF THE PENNSYLVANIA UNIFORM PLANNED COMMUNITIES ACT.

1. The current forms (including amendments) of the Association's Declaration (excluding plats and plans), the Bylaws of the Association and the Rules and Regulations of the Association are attached to this Certificate.

2. There (are ___ are not) rights of first refusal or other restraints on the free alienability of the Unit.

3. The current monthly common expense assessment is \$ _____. There (are ___ are not ___) unpaid common expenses or special assessments currently due and payable from the Selling Unit Owner. If so, the amount of unpaid common expenses or special assessments now due is _____. There (are ___ are not ___) surplus fund credits applicable to this Unit. If so, the amount of credit is _____.

4. There are no other fees currently payable by Unit Owners to the Association except as follows:

5. The Association proposes or intends to propose the following capital expenditures during the period _____ - _____ (2 year period):

6. The Association currently has approximately \$_____ in reserves for capital expenditures. None of these reserves have yet been allocated to any designated project except as follows:

7. The most recent regularly prepared balance sheet and income and expense statement of the Association is attached to this Certificate.

8. The current operating budget of the Association is attached to this Certificate.

9. There are no judgments against the Association and no pending suits to which the Association is a party except as follows:

10. The insurance certificate attached to this Certificate describes the insurance coverage currently provided by the Association for the benefit of Unit Owners.

11. Any alterations and/or improvements made to the Unit, and to the limited common elements assigned to the Unit, do not, to the knowledge of the Association, violate any provision of the Declaration, except as follows:

12. The Executive Board has no knowledge of:

i) any violations of governmental requirements, except as follows:

ii) the existence of any hazardous conditions with respect to the Unit, the limited common elements assigned to the Unit, or any other portion of the planned community, except as follows:

13. The remaining term of any leasehold estate affecting the community and the provisions governing any extension or renewal of such leasehold estate are as follows:

14. The Declaration (does _____ does not _____) provide for cumulative voting or class voting.

15. An agreement to terminate the planned community (has _____ has not _____) been submitted to the Unit Owners.

16. The planned community (is ___ is not ___) now a master association or part of a master association.

17. The number of Units which may be owned in time share estates is NONE.

18. The Declarant (has ___ has not _____) retained any special declarant right to cause a merger or consolidation of the planned community.

THIS RESALE CERTIFICATE IS SIGNED BELOW BY AN AUTHORIZED SIGNATORY ON BEHALF OF THE ASSOCIATION.

ASSOCIATION THE VILLAGE AT SWEETWATER HOMEOWNERS

By: _____

Print Name: _____

Print Title: _____

Village at Sweetwater HOA

Full Occupancy Budget

Account Number	Account Title						Projected
OPERATING REVENUES							
4100	Association Dues						\$ 39,950.00
4200	Late Fees						\$ -
4415	Interest - Operating Cash						\$ -
TOTAL OPERATING REVENUES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,720.00
OPERATING EXPENSES							
5110	Management Fees						\$ 5,800.00
5130	Accounting/Auditing						\$ 500.00
5210	Postage						\$ 150.00
5220	Copies/Printing/Scanning						\$ 250.00
5300	Income Taxes						\$ 200.00
5400	Insurance						\$ 2,500.00
5900	Other - Administrative						\$ 150.00
Total Administrative		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,550.00
6110	Lawn Maintenance						INCL
6120	Lawn Fertilize/Weed Control						INCL
6130	Shrub Purchase/Care						INCL
6140	Tree Purchase/Care						INCL
6150	Tree Removal						INCL
6160	Mulching						INCL
6170	Reseeding/Turf Repair						INCL
6190	Other - Landscaping						\$ 11,950.00
Total Landscaping		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,950.00
6210	Painting/Staining						INCL
6220	Roofs/Chimneys						INCL
6230	Gutters/Downspouts						INCL
6250	Walls/Siding/Shutters						INCL
6270	Water Damage						INCL
6290	Other - Building Maintenance						\$ 4,000.00
Total Building Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000.00
6310	Walkways/Steps/Patios						INCL
6320	Roads/Parking Lots/Driveways						INCL
6330	Street Lights						INCL
6340	Water Drainage						INCL
6350	Utility Line Repair						INCL
6360	Fences/Retainers/Signs						INCL
6390	Other - Grounds Maintenance						\$ 2,500.00
Total Grounds Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00

EXHIBIT "E"
TO THE FIRST AMENDED PUBLIC OFFERING
STATEMENT

Full Occupancy Budget

Account Number	Account Title						Projected
6410	Utilities - Electric						\$ 720.00
6420	Utilities - Water						\$ -
6430	Utilities - Sewage						\$ -
6440	Fire Hydrant Service						\$ 500.00
Total Utilities		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,220.00
6500	Snow Removal						\$ 5,000.00
6600	Trash Removal						\$ 500.00
6610	Exterminating						\$ 500.00
6900	Other - Misc. Maintenance						\$ 1,500.00
Total Miscellaneous		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500.00
TOTAL OPERATING EXPENSES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,720.00
Net Operating Revenue/(Expense)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Full Occupancy Budget

Account Number	Account Title					Projected
RESERVE REVENUE						
4300	Annual Reserve Contribution					\$ 4,080.00
4420	Interest - Replacement Reserve					\$ -
4421	Interest - Roof Reserve					\$ -
4440	Interest - C.D.'s					\$ -
TOTAL RESERVE REVENUE		\$ -	\$ -	\$ -	\$ -	\$ 4,080.00
PROJECTED OPERATING REVENUE		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RESERVE CONTRIBUTION		\$ -	\$ -	\$ -	\$ -	\$ 4,080.00
RESERVE EXPENSES						
7100	Roofs					\$ -
7150	Gutters & Dwnspt Replacement					\$ -
7200	Concrete					\$ -
7300	Asphalt Paving					\$ -
7400	Decks					\$ -
7500	Siding					\$ -
7600	Landscaping/Tie Walls					\$ -
7700	Engineering & Reserve Study					\$ -
7900	Other - Capital Improvements					\$ -
TOTAL RESERVE EXPENSES		\$ -	\$ -	\$ -	\$ -	\$ -

2 |

RESERVE ANALYSIS*							
Year	Beginning Balance	Owner Contrib.	Earnings Contrib.	Total Resv Contrib.	Expenditures	Net to Reserves	End of Year Estimated Total
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ 4,080	\$ -	\$ 4,080	\$ -	\$ 4,080	\$ 4,080

* All amounts except 2010 Beginning Balance are estimated.

NOTES:

- (1) Monthly Dues proposed to be \$180.00 per unit
- 2) Monthly Reserve contribution proposed to be \$20.00 per unit.



Allegheny County
Valerie McDonald Roberts
Department of Real Estate
Pittsburgh, PA 15219

Instrument Number: 2012-20815

BK-DE VL-14976 PG-348

Recorded On: August 13, 2012

As-Deed Agreement

Parties: VILLAGE AT SWEETWATER ASSOCIATES

To VILLAGE AT SWEETWATER ASSOCIATES

of Pages: 32

Comment:

***** THIS IS NOT A BILL *****

Deed Agreement 132.50

Pages > 4 27

Names > 4 0

Total: 132.50

Realty Transfer Stamp

Department of Real Estate Stamp

Affidavit Attached-No	
NOT A DEED OF TRANSFER	EXEMPT
Value	0.00

Certified On/By-> 08-13-2012 / B K
CONDO DECLARATION

I hereby certify that the within and foregoing was recorded in the Department of Real Estate in Allegheny County, PA

****DO NOT REMOVE-THIS PAGE IS PART OF THE RECORDED DOCUMENT****

File Information:

Record and Return To:

Document Number: 2012-20815

Receipt Number: 2157411

Recorded Date/Time: August 13, 2012 08:50:28A

Book-Vol/Pg: BK-DE VL-14976 PG-348

User / Station: J Clark - Cash Station 22

FRANK ZAPPALA

C/O FIRST CITY CO

200 THREE GATEWAY CTR - 401 LIBERTY AVE

PITTSBURGH PA 15222



Valerie McDonald Roberts, Manager
Rich Fitzgerald, County Executive