

DECLARATION CREATING AND ESTABLISHING
ARBORS AT SPRING VALLEY CONDOMINIUM

ARTICLE I

Section 1.1 Millfield Construction Co., a Pennsylvania corporation with its principal place of business located in Lancaster County, Pennsylvania, as Declarant and First Neighborhood LLC, a Pennsylvania limited liability company, with its principal place of business located in Lancaster County, Pennsylvania, as owner in fee simple of the land in East Hempfield Township, Lancaster County, Pennsylvania ("Land"), more fully described in the attached Exhibit A, submits the Land, together with all improvements, easements, rights and appurtenances thereto (with the Land collectively referred to as the "Property"), to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa.C.S. Section 3101 et seq. ("Act"), and hereby creates with respect to the Property a condominium to be known as the Arbors at Spring Valley Condominium ” ("Condominium"). First Neighborhood LLC joins in this Declaration only as fee owner of the Land for the purpose of subjecting the Land to the provisions of this Declaration. However, First Neighborhood LLC shall have any Special Declarant Rights under the Act, nor shall it have any of the obligations or liabilities attributed to a declarant under the Act, including, but not limited to, creating plats and plans, delivery of items to the association, providing a public offering statement to prospective purchasers of units in the condominium, the escrow of deposits for such units, warranties of any kind relating to the units in the condominium of its common areas, and the declarant s obligation to complete and restore certain improvements.

Section 1.2 The Land submitted is subject to the following easements: To include but not limited to those as depicted on the Condominium Declaration Plan recorded in Recorder of Deed, Lancaster County, Pennsylvania.

In addition to the easements depicted upon the Condominium Declaration Plan, the portion of the Land located to the north of the stream, as depicted upon the Condominium Declaration Plan is subject to revocable license agreements in favor of the neighboring property owners. In exchange for the license, each neighboring property owner has agreed to maintain the portion of the Land subject to the license. Prior to the end of the Development Period (as defined below), Declarant will assign its rights and obligations under such license agreements to the Association. If a license agreement is terminated, the Association will be responsible for the maintenance of that portion of the Land which had been subject to the terminated license agreement.

Section 1.3

A. Capitalized terms not otherwise defined herein, in the Bylaws or in the Plats and Plans, as the same may be amended from time to time, shall have the meanings specified and/or used in the Act, including but not limited to the following:

1. "Association" - the unit owners' association organized under Section 3301 of the Act (relating to organization of unit owners' association). The name of the Association is Arbors Association, Inc.
2. "Common Elements" - all portions of a condominium other than the units.
3. "Common Expenses" - expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves. Common Expenses include General Common Expenses and Limited Common Expenses as detailed in the Bylaws.
4. "Common Expense Liability" - the liability for Common Expenses allocated to each unit pursuant to Section 3208 of the Act (relating to allocation of common element interests, votes and common expense liabilities).
5. "Declarant" - Millfield Construction Co., a Pennsylvania corporation, and all successors to any Special Declarant Rights.
6. "Dispose" or "Disposition" - a voluntary transfer of any legal or equitable interest in a unit (or a proposed unit), other than as security for an obligation.
7. "Executive Board" - the body, regardless of name, designated in the Bylaws to act on behalf of the Association.
8. "Identifying Number" - a symbol or symbols that identifies only one unit in a condominium.
9. "Limited Common Elements" - a portion of the Common Elements allocated by or pursuant to the Declaration or by operation of Section 3202(2) or (4) (relating to unit boundaries) for the exclusive use of one or more but fewer than all of the units.
10. "Limited Common Expenses" - All expenses identified as such pursuant to Section 3314(c) of the Act (relating to assessments for common expenses).
11. "Person" - a natural person, corporation, partnership, association, trust, other entity or any combination thereof.
12. "Purchaser" - any person, other than the Declarant, who by means of

a disposition acquires a legal or equitable interest in a Unit, other, than:

(a) a leasehold interest (including renewal options) of less than twenty years, but a Person who will become a Unit Owner in a leasehold condominium upon consummation of the Disposition shall be deemed to be a Purchaser; or

(b) as security for an obligation.

13. "Special Declarant Rights" - Rights reserved for the benefit of the Declarant to:

(a) Subdivide a Unit into two or more Units and Common Elements or combine Units into two or more Units and Common Elements (Section 3215 of the Act).

(b) Maintain offices, signs and models (Section 3217 of the Act).

(c) Use easements through the Common Elements for the purpose of making improvements within the Condominium or within any convertible or Additional Real Estate. (Section 3218 of the Act).

(d) Appoint or remove any officer of the Association or any executive board member during any period of Declarant control (Section 3302(c) of the Act).

(e) Cause the Condominium to be merged or consolidated with another condominium (Section 3223 of the Act).

(f) Add Additional Real Estate to the Condominium.

14. "Unit" - A portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to Section 3205(4) of the Act (relating to contents of the declaration). Each Unit is identified on the Plats and Plans.

15. "Unit Owner" - The Units owed by the Declarant, or a Person to whom ownership of a Unit has been conveyed. "Unit Owner" does not include a person having an interest in a Unit solely as security for an obligation.

B. The following terms are used or defined in general terms in the Act and shall have specific meanings hereunder as follows:

1. "Additional Real Estate" - real property that may be added to the Condominium. Specifically, it means the real property described as such in the attached Exhibit B.

2. "Building" - means any building on the Land.

3. "Bylaws" - means the governing instrument designated as the Bylaws adopted from time to time by the Association. The initial Bylaws of the Association are made a part of this Declaration.

4. "Condominium" - means Arbors at Spring Valley Condominium.

5. "Land" - means the land described in the attached Exhibit A.

6. "Plats and Plans" - means the Plats and Plans attached hereto, as the same may be amended from time to time.

7. "Property" - means the Land with all Buildings, Common Elements, Limited Common Elements, easements, rights and appurtenances constructed on or relating to the Land.

C. The following terms, when used in this Declaration or in the Bylaws, shall have the meanings set forth below:

1. "Condominium Documents" - collectively, this Declaration, the Bylaws, the Articles of Incorporation of the Association and the Rules and Regulations.

2. "Declarant Control Period" - means the time period commencing on the date of recordation of this Declaration and ending on the earlier of:

(a) Five (5) years after the date of the first conveyance of a Unit to a person other than the Declarant; or,

(b) One hundred and twenty (120) days after the conveyance of seventy-five percent (75%) of the Units to Unit Owners other than the Declarant.

3. "Investor-Owned Units" - Units that do not constitute the principal residence of their respective owners.

4. "Percentage Interest" - means each Unit Owner's undivided ownership interest in the Common Elements appurtenant to each Unit, calculated as set forth in Section 2.2, below and as set forth in Exhibit C attached hereto, as the same may be amended from time to time.

5. "Permitted Mortgage" - means a first mortgage to:

(a) the Declarant;

(b) the seller of a Unit;

(c) a bank, trust company, savings bank, savings and loan association, mortgage service company or similar lender;

(d) any other mortgage approved by the executive board.

6. A holder of a Permitted Mortgage is a "Permitted Mortgagee."

D. Among the improvements on the Land are the following: electric, gas and water utility lines, sanitary sewer system, and the underground and aboveground storm water management system serving the Land as approved by appropriate government agencies, and any and all other improvements which a visual inspection of the Land would disclose.

Section 1.4 Mimosa Lane. A private road named Mimosa Lane will provide access to the Condominium from Spring Valley Road. Mimosa Lane shall not be offered to East Hempfield Township for dedication. The Association (as defined in Section 1.3(A)(1)) shall maintain, repair and replace that portion of Mimosa Lane within the Property as a Common Element (as defined in Section 1.3(A)(2)) of the Condominium. This maintenance obligation shall include the maintenance of street lights located along the entire length of Mimosa Lane, maintenance resulting from the repair of those portions of the underground and aboveground storm water management systems located within and under Mimosa Lane, and for the enforcement of parking restrictions and installation and maintenance of "No Parking" signs along the length of Mimosa Lane (including any portion within the Property). The intended location of Mimosa Lane is depicted upon the Condominium Declaration Plan.

THE GRANTEE OF A UNIT WITHIN THE CONDOMINIUM ACKNOWLEDGES AND AGREES THAT THE UNIT BEING ACQUIRED IS ACCESSED VIA A PRIVATE ROAD, THAT SUCH ROAD WILL NOT BE OFFERED FOR DEDICATION TO EAST HEMPFIELD TOWNSHIP, THAT PERMISSION TO CONSTRUCT THE PRIVATE ROAD AND CERTAIN RELATED DESIGN MODIFICATIONS WERE GRANTED BY EAST HEMPFIELD TOWNSHIP SUBJECT TO THE EXPRESSED CONDITION THAT SUCH ROAD NOT BE DEDICATED TO EAST HEMPFIELD TOWNSHIP AND THAT EACH UNIT WITHIN THE CONDOMINIUM WILL BE SUBJECT TO AN ASSESSMENT BY THE ASSOCIATION FOR THE REPAIR, REPLACEMENT AND MAINTENANCE OF THE PRIVATE ROAD.

ARTICLE II

BUILDINGS ON THE LAND; UNIT BOUNDARIES; COMMON ELEMENT PROVISIONS; AND VOTING

Section 2.1. Number and Location of Buildings. The location, dimensions and area of the Buildings located on the Land is shown on the Plats and Plans. The Plats and Plans are incorporated in this Declaration by reference.

Section 2.2. Units and Percentage Interests. The location of Units within the Buildings is shown on the Plats and Plans attached hereto. Attached hereto as Exhibit C is a list of all the Units, their Identifying Numbers, and each Unit s Percentage Interest.

To facilitate administration of the business of the Association, all Units will have an equal vote in the Association, i.e. each Unit shall have one (1) vote and there shall initially be a total of five (5) votes in the management of the affairs of the Condominium. The Percentage Interest shall be determined by dividing the number one by the total number of all Units (initially, five). The initial Percentage Interest for each Unit, therefore, shall be 20.00%.

The location of the Common Elements to which each Unit has direct access are as shown on the Plats and Plans. Balconies, terraces and/or decks, if any, shown adjacent to any Units are Limited Common Elements appurtenant to such Units.

The allocation of Common Expenses is based upon a differentiation between Units based on location within a building. Units located at the end of any building shall pay a Common Expense assessment equal to One Hundred Ten Percent (110%) of that Common Expense assessment levied by the Executive Board for interior Units. The monthly assessments established by the Executive Board pursuant to Section 10.2 of this Declaration shall reflect a base Common Expense assessment for interior Units and shall also specifically designate a Common Expense assessment for end Units and detached Units equal to One Hundred Ten Percent (110%) of the base Common Expense assessment. In establishing this higher Common Expense assessment for end and detached Units, the Declarant has taken into consideration the fact that end Units will generally occupy more land than interior Units and will accordingly require greater maintenance and will generate a higher insurance premium than interior Units. The Executive Board, in the future, in its sole discretion, and without requirement of an amendment to this Declaration, may adjust the ratio of Common Expense Assessments between different type of units.

Further, pursuant to Section 3314(c)(3) of the Act, the Declarant has determined that there is no basis to apportion risk for insurance coverage other than pursuant to the size of each Unit. Accordingly, the costs of insurance shall be assessed in the same manner as other Common Expenses and shall be part of the Common Expenses.

Section 2.3. Unit Boundaries.

2.3.1. Unit Boundaries. Each Unit consists of the space within the following boundaries:

a. Upper and Lower (Horizontal) Boundaries: The upper and lower boundaries of the Unit shall be the following boundaries extended to intersections with the vertical boundaries:

(1) Upper Boundary: The horizontal or slanted plane of the inside surface of the roof.

(2) Lower Boundary: The horizontal plane of the ground under the concrete floor slab or the basement level slab, if any.

b. Vertical Boundaries: The vertical boundaries of the Unit shall be the vertical planes, extended to intersections with each other and with the upper and lower boundaries, of the interior surface of the exterior walls which do not separate the Unit from any other Unit, and of the center line of the party walls which separate the Unit from other Units.

2.3.2 All windows shall be deemed to be entirely within the boundary of each Unit.

2.3.3 Each Unit shall include the items within the boundaries as described in paragraphs (1) and (3) of Section 3202 of the Act and shall have the benefit of the use of all Limited Common Elements described in Section 3202 of the Act, or designated on the Plats and Plans, as being allocated to such Unit.

2.3.4 No pipes, wires, conduits or other public utility lines or installations constituting a part of the overall utility systems, nor any of the structural members or portions of the Building nor any other property of any kind which is not removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building shall be deemed to be a part of any Unit.

2.3.5 The electricity, water, sewer and gas (if any) services to each Unit are separately billed to the unit and are not Common Expenses. Each Unit is individually heated.

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 shall be maintained and repaired by each Unit Owner and Common Elements (including Limited Common Elements) shall be maintained and repaired by the Association in accordance with the provisions of Section 3307 of the Act. All Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element shall be assessed against the Units to which such Limited Common Element was assigned at the time the expense was incurred (in accordance

with the provisions of Section 3314 of the Act) in the same proportion as the Percentage Interest of such Unit bears to the aggregate of the Percentage Interest of all such Units (i.e. Units to which the Limited Common Elements have been assigned). Maintenance, repair and replacement of the following, wherever located, shall be the responsibility of each Unit Owner: (a) the HVAC system of each Unit; and (b) all plumbing and wiring located within each Unit or located outside of the physical boundary of each Unit, but used only to service or supply the respective utility service to that Unit.

The Association shall maintain the Common Elements in a manner which meets all applicable governmental requirements, including but not limited to the requirements concerning the maintenance of storm water management facilities.

2.4.1 Constructed Wetlands. The storm water management system includes, among other things, two areas of constructed wetlands, as depicted upon the Condominium Declaration Plan and the Final Subdivision and Land Development Plan (Constructed Wetlands).” The Constructed Wetlands shall be maintained in accordance with the provisions of this **Section 2.4.** and the notes contained on Sheet 14 of the Final Subdivision and Land Development Plan, which provide in part:

- a. The Constructed Wetlands shall not be mowed.
- b. No invasive or noxious plant species shall be introduced, and any such invasive or noxious species shall be removed by hand.
- c. No pesticides or herbicides shall be used.
- d. Trash and debris that accumulate following storm events shall be removed as soon as possible.

No lawn clippings, plants clippings, other yard waste or any other substance shall be deposited in the Constructed Wetlands. No permanent or temporary buildings, structures or vehicles may be placed within the Constructed Wetlands.

The Association shall be responsible for the maintenance of the plants and improvements located within the Constructed Wetlands, including but not limited to the removal of invasive and/or noxious plants from the Constructed Wetlands, the removal of sediment from the Constructed Wetlands in accordance with applicable law, and the remediation of any sink holes which develop within the Constructed Wetlands. The Association shall contract with a qualified biologist, landscape architect or other individual who specializes in the design and review of water infiltration/retention facilities to undertake the maintenance and monitoring of the Constructed Wetlands. Such maintenance and monitoring should take place on an as-needed basis but no less than two times per year for the first three years and once a year thereafter.

2.4.2 Infiltration Beds Within Mimosa Lane. The storm water management

system includes, among other things, infiltration beds to be constructed under Mimosa Lane, as depicted upon the Condominium Declaration Plan and the Final Subdivision and Land Development Plan (Infiltration Beds)” The Infiltration Beds shall be maintained in accordance with the provisions of this Section 2.4 and the notes contained on Sheet 14 of the Final Subdivision and Land Development Plan, which provide in part:

- a. Trash and debris that accumulate following storm events shall be removed as soon as possible.
- b. All components of the infiltration beds shall be inspected every six weeks and after storm events exceeding 2" in a 24 hour period to insure that they continue to function properly.
- c. Sumps in inlets 4, 6, 9 and 16 shall be vacuum cleaned and all pipes through the infiltration beds shall be flushed annually or as needed to prevent clogging of the facilities.
- d. If problems are observed regarding the functioning of the Infiltration Beds, East Hempfield Township and David Miller/Associates, Inc. or another qualified party shall be notified immediately. The Association shall have the sole responsibility to develop and implement solutions to any problems that arise.

The Association shall be responsible for the maintenance, repair and replacement of the Infiltration Beds, including but not limited to the remediation of any sink holes which develop within the Infiltration Beds and repairs to Mimosa Lane or other Common Elements necessitated by the repair and replacement of the Infiltration Beds. The Association shall contract with a qualified individual or organization who is experienced in the maintenance, and/or inspection of similar infiltration/retention facilities to undertake the inspection, maintenance and monitoring of the Infiltration Beds. Maintenance and monitoring should take place on an as-needed basis but no less than as set forth above. The Association shall provide copies of inspection and maintenance reports and any required notice to East Hempfield Township.

Section 2.5. Relocation of Unit Boundaries and Subdivision of Units. Relocation of Unit boundaries and subdivision of Units will be permitted subject to compliance with Section 3214 and Section 3215 of the Act.

Section 2.6. Unit Deeds. A Unit Deed conveying title to a Unit shall be recorded and shall include the following: (i) the name by which the Property is identified and known, i.e. the Arbors at Spring Valley Condominium; (ii) a statement that the Property is located in East Hempfield Township, Lancaster County, Pennsylvania; (iii) a reference to the Declaration and the Plats and Plans, including reference to the place where the Declaration and the Plats and Plans and any amendments thereof, are recorded; (iv) the Identifying Number of the Unit in the Plats and Plans; (v) a reference to the last Unit deed, if any, conveying such Unit, including the reference to

the place where the same was recorded; and (vi) the Percentage Interest in the Common Elements assigned to the Unit by the Declaration and any amendments thereof.

Every Unit Deed, conveyance, judicial sale, lien, written instrument or other transfer (whether voluntary or involuntary) dealing with a Unit shall be deemed to include, without requiring specific reference thereto or enumerating them, (1) all the appurtenances thereto, whether specifically described or not, (2) an unrestricted right of ingress and egress to and from the Unit, and (3) easements in favor of the Unit.

Section 2.7. Common Element Provisions.

2.7.1 The Common Elements are partially described in Section 2.2 of this Article and are more particularly set forth and shown in the Plats and Plans.

2.7.2 Each Unit has appurtenant and assigned to it a Percentage Interest in the Common Elements.

2.7.3 The Percentage Interest of a Unit in the Common Elements shall be inseparable from each Unit, and any conveyance, lease, devise or other disposition or mortgage or other encumbrance of any Unit shall extend to and include the Percentage Interest in the Common Elements, whether or not expressly referred to in the instrument effecting the same. The Percentage Interests of the Units in the Common Elements and the fee titles to the respective Units conveyed therewith, shall not be separately conveyed, transferred, alienated or encumbered and each of said Percentage Interests shall be deemed to be conveyed, transferred, alienated or encumbered with its respective Unit notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may refer only to the fee title to the Unit.

2.7.4 The Common Elements shall remain undivided and no action for partition or division of any part thereof shall be permitted, except as provided in the Act.

2.7.5 The Percentage Interest appurtenant to each Unit shall have a permanent character, shall be inseparable from each Unit and shall not be altered or changed except by an amendment to the Declaration duly executed by all of the Unit Owners affected thereby and recorded.

2.7.6 Except as their use may otherwise be limited by the Condominium Documents and except for Limited Common Elements, each Unit Owner, tenant and occupant of a Unit, and the guests, business invitees, agents and employees of such Unit Owner, tenant and occupant, may use the Common Elements in common with all other Unit Owners and tenants or occupants of other Units, and their respective, guests, business invitees, agents and employees, in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Unit Owners.

2.7.7 No Unit Owner may exempt himself from liability with respect to the

Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by abandonment of his Unit or otherwise. Conversely, the Association's responsibility under Section 2.7.10 shall be exercised without discrimination as between the various areas and types of Common Elements.

2.7.8 The Association, and the Association's agents and employees, shall have the irrevocable right and easement to have access to each Unit from time to time during reasonable hours (or at anytime in the event of an emergency) as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom or the making of any addition or improvements thereto; or to make repairs to any Unit or the Common Elements if such repairs are reasonably necessary for public safety or to prevent damage to any other Unit or Units or the Common Elements; or to abate any violation of law, orders, rules or regulations of any governmental authorities having jurisdiction thereof.

2.7.9 The Association shall, if requested, determine the purpose for which a Common Element may be used.

2.7.10 The maintenance, repair, replacement, cleaning, sanitation, management, operation and use of the Common Elements and the making of any additions or improvements thereto shall be the responsibility of the Association, but nothing herein contained shall be construed so as to preclude the Association from delegating these duties to a manager or agent or to other persons, firms or other corporations.

2.7.11 The Common Expenses incurred or to be incurred for the maintenance, repair, replacement, cleaning, sanitation, management, operation and use of the Common Elements and the making of any additions or improvements thereto shall be assessed by the Association against, and collected from, the Unit Owners.

2.7.12 No Unit Owner shall do any work which would affect or alter any of the Common Elements, or jeopardize the soundness or safety of the Property, or impair any easement or hereditament therein without the unanimous consent of the Unit Owners affected thereby.

2.7.13 The Plats and Plans of the designate certain portions of the Common Area as parking areas (Parking Areas).” Parking Areas are reserved exclusively for the use of guests and visitors. The Association may, in its sole discretion, restrict certain portions of the Parking Areas by time (e.g. by designating certain portions of the Parking Area for 20 minute parking). In addition, the Association may create reasonable Rules and Regulations regarding use of the Parking Area. During the Declarant Control Period, the Declarant shall have the right to restrict the use of certain surface parking spaces for sales, construction, management and other purposes. All vehicles owned by Unit Owners shall be parked either in the garages which are a part of each Unit or in the driveways adjacent to said garages.

2.7.14 Portions of the Common Elements may be conveyed or subjected to

a security interest by the Association if (i) the Persons entitled to cast at least eighty (80%) percent of the votes in the Association, including eighty (80%) percent of the votes allocated to Units now owned by Declarant, and (ii) if at least 51% of Permitted Mortgagees (as that term is defined below) agree to that action; but all of the Unit Owners to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. Proceeds of the sale are an asset of the Association.

ARTICLE III

ALLOCATION AND RESTRICTION OF LIMITED COMMON ELEMENTS

Section 3.1. Allocation of Limited Common Elements. Portions of the Common Elements are marked on the Plats and Plans as "Limited Common Elements." These portions of the Common Elements include, without limitation, all portions of the Common Elements allocated by the Declaration or by operation of Section 3202(2) or (4) (relating to Unit boundaries) of the Act for the exclusive use of one or more but fewer than all of the Units in the Common Elements. Declarant reserves the right to assign these portions as Limited Common Elements for the exclusive use of certain Unit Owners to whose Units these portions shall become appurtenant. The Declarant may assign such Common Elements as Limited Common Elements pursuant to the provisions of Section 3209(c) of the Act by making such an assignment in the deed to the Unit to which such Limited Common Element portions or areas shall be appurtenant and subsequently confirming such assignment by recording an appropriate amendment to this Declaration or to the Plats and Plans.

Section 3.2. Assessments for Limited Common Elements. Any Common Expense associated with the maintenance, repair or replacement of Limited Common Elements shall be assessed in equal shares against the Units to which the Limited Common Elements were assigned at the time the expense was incurred.

ARTICLE IV

EASEMENTS

Section 4.1. Declarant's Easement to Facilitate Marketing.

A. Declarant shall have the right to maintain models, management offices and sales offices on the Property and to relocate such models, management offices and sales offices from time to time within the Property. The models, management offices, and/or sales offices maintained on the Property shall be subject to the following requirements:

1. The Declarant may maintain one or more model Units in the Condominium for marketing purposes.

B. Declarant shall have the right to maintain on the Property such

advertising signs as Declarant in its sole discretion may deem appropriate, provided that such signs comply with applicable governmental requirements. Declarant may from time to time relocate such advertising signs. No advertising signs not approved by Declarant shall be permitted.

Section 4.2. Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Land. The easements created in this Section 4.2, 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, cable television and telephone wires and equipment, other television equipment and facilities, electrical 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 4.2, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existing at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

Section 4.3. Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Common Elements not located within a Building 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 4.3, expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary, following which the Declarant shall restore the affected property as closely to its original condition as practicable.

Section 4.4 Easement for Encroachments. To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, a valid easement for the encroachment exists pursuant to Section 3216 of the Act. This easement shall include the right of entry for maintenance.

ARTICLE V

USE RESTRICTIONS

Section 5.1. Rules and Regulations.

A. The occupancy and use of the Units and Common Elements shall be subject to the following restrictions:

1. The Units in the Condominium (with the exception of any Units during the time period when they are being used by the Declarant as a sample, model or sales office)

are restricted to residential use and may not be used for any other purpose by the Unit Owner or any future Unit Owner. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

2. A Unit Owner is prohibited from making any alteration, installation, removal, reconstruction, or repair to his Unit or Units which will impair the structural integrity of the Building in which such Unit or Units are located or any mechanical or electrical system therein; or adversely affect either the thermal or acoustical character of such Building; or lessen the support of any portion of such Building; or violate any applicable law, ordinance or governmental rule, regulation or order.

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

ARTICLE VI

MORTGAGES

Section 6.1. Requirements.

6.1.1 Any mortgage or other lien on a Unit and the obligations secured thereby shall be deemed to provide, generally, that the mortgage or other lien instrument 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 mortgagee or lien holder shall have no right (i) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, or (ii) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent that either of a distribution of such proceeds to Unit Owners pursuant to Section 3312(g) of the Act or of insurance proceeds in excess of the cost of repair or restoration being received by the owner of the Unit encumbered by such mortgage; or (iii) 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 Condominium or determination not to restore or replace the affected Unit.

a. Nothing contained in Section 6.1.1., above, or elsewhere in this Declaration shall give a Unit Owner, or any other party, priority over any rights of the mortgagee of a Unit pursuant to its mortgage in case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or

Common Elements.

6.1.2 No Unit Owner or purchaser of a Unit shall deliver any mortgage or other lien instrument secured by a Unit, or any obligation to be secured thereby, unless it has first notified the Executive Board of the name and address of the proposed mortgagee or lien holder, the amount of the debt proposed to be so secured, and has submitted to the Executive Board a copy of the form of the proposed mortgage and note or other instrument of obligation. When a mortgage other than (i) a first mortgage or (ii) a junior mortgage to the Declarant or Seller of a Unit is delivered to the Executive Board, the Executive Board shall promptly notify the proposed mortgagee whether such mortgage has been approved by the Executive Board as a Permitted Mortgage.

Section 6.2. Approval of Mortgagees. Subject to the limitations imposed by Section 3221 of the Act and the rights of the Declarant as set forth in this Declaration and the Bylaws:

6.2.1 The prior written approval of holders of first mortgages of Units representing at least sixty-seven percent (67%) of the votes of Units subject to first mortgages shall be required for any of the following:

a. the termination or abandonment of the condominium status of the Property except for termination or abandonment as a result of condemnation or substantial destruction to the Property or any Building erected thereon;

b. the partition or subdivision of any part of the Common Elements;

c. the abandoning, encumbering, selling or transferring of the Common Elements (the granting of easements for public utilities or for other public purposes consistent with the intended uses of the Common Elements shall not be deemed a transfer within the meaning of this subsection);

d. the use of hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such Condominium Property.

Section 6.3 Notice to Mortgagees. The Board must give written notice of the following to holders of first mortgages on Units and the guarantors of these mortgages:

(a) Any amendment to the Condominium Documents which requires the approval of mortgagees under Section 6.2;

(b) Any action requiring the approval of Eligible Mortgagee Holders under Section 7.2;

(c) Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;

(d) Any 60 day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which its holds the mortgage; and,

(e) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.

ARTICLE VII

AMENDMENT TO DECLARATION

Section 7.1. Amendment Generally. This Declaration may be amended only in accordance with the procedures specified in Section 3219 of the Act, the other sections of the Act referred to in Section 3219 and Article XII of this Declaration (relating to adding Additional Real Estate to the Condominium).

Section 7.2. Limited Approvals for Certain Amendments. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions thereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary mortgage market lenders, guarantors, or insurers, and/or the Association's casualty insurance carrier, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the Permitted Mortgagees, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this section and section 3219(b) of the Act. Each amendment of the type described in this Section 7.2 shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one or more officers of the Executive Board.

Section 7.3. Amendments Requiring Consent of Certain Permitted Mortgagees. "Eligible Mortgage Holders," for the purposes of this Section 7.3, specifically, and this Declaration generally, shall be those Permitted Mortgagees who have requested that the Association notify them of any proposed amendments to this Declaration of a material nature. In addition to the sixty-seven (67%) percent approval by Unit Owners as required by Section 3219 of the Act, approval of material amendments to this Declaration must be obtained from Eligible Mortgage Holders who represent at least fifty-one (51%) of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders.

For purposes of illustration, but not as a limitation, a change to any of the following would be considered to be material amendments to this Declaration:

- A. Voting rights;
- B. increases in assessments that raise the previously assessed amount by more than 25%, assessments liens, or the priority of assessment liens;
- C. reductions in reserves for maintenance, repair, and replacement of common areas;
- D. responsibility for maintenance and repairs;
- E. reallocation of interests in the general or limited common areas, or rights to their use;
- F. redefinition of any Unit boundaries;
- G. convertibility of Units into Common Area or vice versa;
- H. expansion or contraction of the Condominium, or the addition, annexation, or withdrawal of property to or from the Condominium, except for the addition of the Additional Property to the Condominium;
- I. amendments concerning insurance or fidelity bonds;
- J. amendments concerning leasing of Units;
- K. imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- L. restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
- M. any action to terminate the legal status of the Condominium after the occurrence of substantial destruction or condemnation, or for other reasons;
- N. any provisions that expressly benefit mortgage holders, insurers, or guarantors of mortgages; or
- O. a decision by the Association to establish self-management when professional management had been required previously by the project's documents or by an Eligible Mortgage Holder.

7.3.1 When Unit Owners are considering termination of the legal status of the Condominium after substantial destruction or condemnation of the Property, approval must be obtained by the affirmative vote of at least sixty-seven percent (67%) of all Unit Owners and approval must be obtained by the affirmative vote by Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders.

7.3.2 When Unit Owners are considering termination of the legal status of the Condominium for reasons other than substantial destruction or condemnation of the Property, approval must be obtained by the affirmative vote by Eligible Mortgage Holders who represent at least sixty-seven percent (67%) of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders.

7.3.3 The affirmative consent of any Eligible Mortgage Holder may be assumed by the Association when an Eligible Mortgage Holder fails to submit a response to any written proposal for a material amendment to this Declaration within sixty (60) days after it receives proper notice of the proposed amendment, provided the notice was delivered by United States Certified or Registered Mail, Return Receipt Requested.

Section 7.4. Amendments Requiring Consent of East Hempfield Township. In addition to the sixty-seven (67%) percent approval by Unit Owners as required by Section 3219 of the Act, written approval of material amendments to Sections 1.4, 2.4.1., 2.4.2. and 7.4 of this Declaration must be obtained from East Hempfield Township.

ARTICLE VIII

CONDEMNATION

Section 8.1. Partial Taking Without Direct Effect on Units. If part of the Property shall be taken or condemned by any authority having the power of eminent domain, such that no Unit nor Limited Common Element appurtenant thereto is taken, all compensation and damages for and as a result of the taking of the Common Elements, exclusive of compensation for consequential damages to certain affected Units, shall be payable to the Association as Trustee for all Unit Owners or lessees, and mortgagees according to the loss or damage in their respective interest in such Common Elements. The Association, acting through the Executive Board, shall act on behalf of the Unit Owners or lessees with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Elements, and in this regard each Unit Owner or lessee does appoint the Association to be their attorney-in-fact for this purpose. Such proceeds shall be used in accordance with the provisions of the Bylaws. Nothing herein shall prevent Unit Owners or lessees whose Units are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Units or personal improvements therein, exclusive of damages relating to Common Elements. In the event that the condemnation award does not allocate consequential damages to specific Unit Owners or lessees, but by its terms includes an award for

reduction in value of Units and Land without such allocation, the award shall be divided between affected Unit Owners or lessees, and the Association, as their interest may appear, by arbitration in accordance with the rules of the American Arbitration Association, but not under its auspices.

Section 8.2. Partial or Total Taking Directly Affecting Units. If part or all the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Unit or any part thereof is taken, the Association shall have the right to act on behalf of the Unit Owners or lessees with respect to Common Elements as above stated, and the proceeds shall be payable as outlined above. The Unit Owners or lessees directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Units. The awards so made shall be distributed through the Association first to restore the Units and common buildings or facilities on the remaining land of the Condominium in the same manner as provided for restoration under the Bylaws to the extent possible, attempting to rebuild the Buildings containing new Units of the same number, size and basic plan as the Units taken with any excess award distributed in accordance with the provisions of the Bylaws. In the event that the Executive Board determines that such a taking so removes land and Buildings containing Units that they cannot effectively be restored or replaced substantially in compliance with the building plans, and unless seventy-five (75%) percent of the Unit Owners or lessees and holders of first mortgages encumbering seventy-five (75%) percent of the undivided interest of the Common Elements subject to mortgages vote to accept an alternative plan, then the Association shall submit the issue to arbitration in accordance with the rules of the American Arbitration Association, but not under its auspices, for remedies with respect to the continued existence or reform of the Condominium, the division of the award as to the taking and remaining Units, and such other remedies as may be required.

ARTICLE IX

POWERS OF THE EXECUTIVE BOARD

Section 9.1 In addition to the powers set forth in the Act, the Executive Board shall have the following additional powers:

9.1.1 To appoint committees of the Board (which need consist of only one (1) Board Member) and to delegate to such committees the Executive Board's authority to carry out certain duties of the Board, subject to the approval and control of the Board.

9.1.2 To engage the services of a manager or managing agent, who may be any person, firm or corporation, upon such terms and compensation as the Executive Board deems fit, and to remove such manager or managing agent at any time.

9.1.3 To engage the services of any persons (including, but not limited to, accountants and attorneys) deemed necessary by the Executive Board at such compensation as is deemed reasonable by the Executive Board, in the operation, repair, maintenance and management of the Property, or in connection with any duty, responsibility or right of the Executive Board and to

remove, at any time, any such personnel.

9.1.4 To pay any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Executive Board constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Executive Board by reason of said lien or liens shall be specially assessed to said Unit Owners.

9.1.5 To expend funds for the maintenance and repair of any Unit or any other portion of the Property which a Unit Owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Executive Board, to protect the Common Elements, or any other portion of the Property, and the owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Executive Board to said Unit Owner; provided that the Executive Board shall levy a special assessment against such Unit for the cost of said maintenance or repair.

9.1.6 To proceed against any Unit Owner who fails to comply with any of the provisions of this Declaration, the Bylaws, and valid actions taken by the Executive Board pursuant to any and all Condominium Documents. This right of action may be in law or equity and may include any legal remedy available to the Association.

9.1.7 To grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes necessary for the proper operation of the Condominium.

9.1.8 To initiate litigation (whether in a court of competent jurisdiction or by arbitration) on behalf of the Association, provided, however, that any litigation in which the amount claimed in damages or otherwise in controversy is greater than Fifteen Thousand Dollars (\$15,000.00) shall require the approval of at least 67% of the Unit Owners at a duly noticed meeting of the Association.

ARTICLE X

BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 10.1 Notice of Budget. The Executive Board shall deliver to all Unit Owners copies of each budget approved by the Executive Board promptly after such approval. The Unit Owners, by a 70% vote, may reject any budget approved by the Executive Board within 30 days after such approval. The Bylaws contain additional provisions concerning the budget of the Association.

Section 10.2 Monthly Assessments: All Common Expense assessments shall be deemed to be adopted and assessed on a monthly basis (not an annual basis, payable in monthly installments) and shall be due and payable in advance, on the first day of each month. Assessments shall be charged against all Units (including Units owned by the Declarant) beginning on the first day of the month following the conveyance of the first Unit to a third-party purchaser. 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. The Bylaws contain additional provisions concerning assessments.

Section 10.3 Surplus Common Expenses. Any amounts accumulated from assessments for general Common Expenses and income from the operation of the Common Elements (if any), other than Limited Common Elements with regard to which Limited Common Expenses are assessed, in excess of the amount required for actual general Common Expenses and reserves for future general Common Expenses (including a contingency reserve) shall be credited to each Unit in accordance with such Unit's interest in the Common Elements, these credits to be applied to the next monthly assessment of general Common Expenses against that Unit under the then current fiscal year's budget and thereafter, until exhausted. A reasonable contingency reserve may be established by the Executive Board in its sole discretion to provide for unforeseen expenses (for example, and only as a matter of illustration, unforeseen expenses arising from a winter season with unusually high snowfall).

Section 10.4 Working Capital Fund: To insure that the Association will have funds to meet initial operating expenses, to pay for unforeseen expenditures, or provide unforeseen services, each initial purchaser of a Unit, at the time of conveyance of the Unit from the Declarant, shall pay to the Association an initiation fee which will be deposited into the Association's working capital fund (the Working Capital Fund) the sum of Seven Hundred and Fifty Dollars (\$750.00). This payment shall be made at the time of initial conveyance of each Unit. This shall not be construed to be an advance payment of assessments, but rather shall be a one-time payment by the purchaser of a Unit to this Working Capital Fund. The Declarant may not use the Working Capital Fund to defray any of its expenses, reserve contributions, or construction costs. However, the Working Capital Fund is intended to pay the ordinary expenses of the Association and anticipated receipts shall be a part of the Association's annual budget. The initiation fee may be recouped by Unit Owners from subsequent purchasers of their respective Units.

Section 10.5 Lien for Assessments.

10.5.1 General Rule - The Association has a lien on a Unit for any assessment levied against that Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. The Association's lien may be foreclosed in like manner as a mortgage on real estate. Unless this Declaration otherwise provides, fees, charges, late charges, fines and interest charged pursuant to Section 3302(a)(10), (11) and (12) of the Act (relating to powers of the Association) are enforceable as assessments under this section.

10.5.2 Priority of lien -

1. General rule - A lien under this section is prior to all other liens and encumbrances on a Unit except:

(a) Liens and encumbrances recorded before the recordation of the Declaration.

(b) Mortgages and deeds of trust on the Unit securing first mortgage holders and recorded before the due date of the assessment.

(c) Liens for real estate taxes and other governmental assessments or charges against the Unit.

2. Limited non-divestiture - The Association's lien for Common Expenses shall be divested by a judicial sale of the Unit:

(a) As to unpaid Common Expense assessments made under Section 3314(b) of the Act (relating to assessments for Common Expenses) that come due during the six months immediately preceding institution of an action to enforce collection of a lien against a Unit by a judicial sale, only to the extent that the six months unpaid assessments are paid out of the proceeds of the sale.

(b) As to unpaid Common Expense assessments made under Section 3314(b) of the Act other than the six months assessment referred to in subparagraph 2 (a), above, in the full amount of these unpaid assessments, whether or not the proceeds of the judicial sale are adequate to pay these assessments. To the extent the proceeds of the sale are sufficient to pay some or all of these additional assessments, after satisfaction in full of the costs of the judicial sale, and the liens and encumbrances of the types described in Section 10.5.2 (1), above, and the unpaid Common Expense assessments that come due during the six-month period described in subparagraph 2 (a), above, they shall be paid before any remaining proceeds may be paid to any other claimant, including the prior owner of the Unit.

3. Monetary exemption - The lien is not subject to the provisions of 42 Pa.C.S. Section 8123 (relating to general monetary exemption).

4. Successors in title shall not be liable for unpaid assessments or liens therefore unless they agree to assume the obligation.

10.5.3 Notice and perfection of lien - Subject to the provisions of subsection (2), recording of the Declaration constitutes record notice and perfection of the lien.

10.5.4 Limitation of actions - A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three years after the assessments become

payable.

10.5.5 Other remedies preserved - Nothing in this section shall be construed to prohibit actions or suits to recover sums for which Section 10.5.2 (1) creates a lien or to prohibit the Association from taking a deed in lieu of foreclosure.

10.5.6 Costs and attorney's fees - A judgment or decree in any action or suit brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.

10.5.7 Statement of unpaid assessments - The Association shall furnish to a Unit Owner upon written request a recordable statement setting forth the amount of unpaid assessments currently levied against his Unit. The statement shall be furnished within ten business days after receipt of the request and is binding on the Association, the Executive Board, and every Unit Owner.

Section 10.6 Subordination of Certain Charges: Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 3302(a)(10), (11) and (12) of the Act, shall be subordinate to the lien of a Permitted Mortgage on a Unit. All assessments of the Association in excess of an amount equal to six (6) monthly assessments for Common Expenses (as determined in Section 10.2, above) shall be subordinate to the lien of a Permitted Mortgagee.

Section 10.7 Limitation on Expenditures: All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements, and any other expenses, charges or costs which the Executive Board may incur or expend pursuant hereto, shall be approved by the Executive Board, and a written memorandum thereof prepared and signed by the treasurer of the Association. The Executive Board shall deliver to all Unit Owners a copy of any such written memorandum relative to any capital expenditure approved by the Executive Board promptly after such approval. The Unit Owners, by a vote of at least 70% of the Unit Owners, may reject any capital expenditure approved by the Executive Board within 30 days after such approval.

However, there shall be no structural alterations, capital additions to, or capital improvements on, the Common Elements (other than for purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Fifty Thousand (\$50,000.00) Dollars without the prior approval of the Unit Owners entitled to cast sixty-seven (67) percent of the votes of all Unit Owners.

Section 10.8 Additional Assessments: If any annual budget proves inadequate for any reason, including nonpayment of any Unit Owner's monthly assessments, or any nonrecurring Common Expense or any Common Expense not set forth in the annual budget as adopted, the Executive Board may at any time levy additional monthly assessments which shall be assessed in the same manner as the allocation of Common Expenses in Section 2.2, above. Such additional monthly assessments shall be payable over such period of time as the Board may determine.

Section 10.9 Acceleration: If a Unit Owner is in default in the payment of the aforesaid charges and/or monthly assessments for sixty (60) days, the Executive Board may, in addition to all other remedies in the Act or Declaration contained, accelerate all other monthly assessments to become due for the fiscal year in which such default occurs; provided, however, a foreclosing Permitted Mortgagee shall be entitled to automatic subordination of such assessments in excess of the amounts given priority over mortgage liens in the Act.

Section 10.10 Interest and Charges: All sums assessed by the Executive Board against any Unit Owner as a regular or special assessment shall bear interest thereon at the then maximum legal rate (but not more than fifteen (15%) percent per annum) from the tenth (10th) day following default in payment of any monthly assessment when due. Any delinquent Unit Owner shall also be obligated to pay (i) all expenses of the Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessments by legal proceedings or otherwise, (ii) a reasonable late charge fee as established from time to time by the Executive Board, and (iii) any amounts paid by the Board for taxes or on account of superior liens or otherwise to protect its liens, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessments and shall be collectible as such, subject to Section 10.5, above.

Section 10.11 Confession of Judgment: IN ORDER TO EXPEDITE THE EXECUTIVE BOARD'S COLLECTION OF ANY DELINQUENT ASSESSMENT, EACH UNIT OWNER (BY THE ACCEPTANCE OF THE DEED TO HIS UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE EXECUTIVE BOARD MEMBER OR ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA OR THE PROTHONOTARY OR DEPUTY PROTHONOTARY OF ANY COURT AS THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENT(S), WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE 10 AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE DEEMED SUFFICIENT EVIDENCE OF SAID APPOINTMENT; AND FOR SO DOING A COPY OF THIS ARTICLE 10 AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL THE DECLARATION SHALL BE TERMINATED. UNIT OWNERS ALSO WAIVE (1) THE RIGHT OF ANY STAY OF EXECUTION AND THE BENEFIT OF ALL EXEMPTION LAWS, AND (2) PRESENTMENT FOR PAYMENT, DEMAND PROTEST, NOTICE OF DISHONOR AND RIGHT OF SET-OFF.

ARTICLE XI

INSURANCE

Section 11.1. Power of Attorney. The Association is hereby irrevocably appointed as

attorney-in-fact for each Unit Owner and for each holder of a mortgage or other lien upon a Unit and for each owner of any other interest in the Property for the purpose of purchasing and maintaining insurance as set forth in Section 11.3, below including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

Section 11.2. Insurance Trustee. The Executive Board shall have the option, in its sole discretion, of naming as an insured, on behalf of the Association, an Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement. The duty of the Insurance Trustee shall be to receive, hold or otherwise properly dispose of, in accordance with Section 3312 of the Act, proceeds of insurance designated in the Insurance Trust Agreement in trust for Unit Owners.

Section 11.3. Types and Amounts. Commencing not later than the time of the conveyance of the first Unit to a Person other than the Declarant, the Association shall, to the extent reasonably available, obtain and maintain the types and amounts of insurance set forth below. The premiums for all such insurance policies shall be a Common Expense.

11.3.1 Hazard Insurance.

1. Hazard insurance, with an endorsement for extended coverage, or such other fire and casualty insurance as the Executive Board may determine provides equal or greater protection for the Unit Owners and their mortgagees, if any, in each case complying with the applicable requirements of Section 11.4, below. Such hazard insurance shall, if and to the extent reasonably available, provide coverage of the Common Elements (including the Limited Common Elements), including fixtures and building service equipment and common personal property and supplies belonging to the Association, and the Units. Such insurance shall, if so required by either the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and if and to the extent reasonably available, also cover fixtures, equipment and other personal property inside a Unit if such fixtures, equipment or personal property are financed by a mortgage purchased by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. If such insurance is so provided, the Association shall require such Unit Owner to pay the additional cost incurred by the Association in so insuring such Unit Owner's fixtures, equipment or other personal property. Such hazard insurance shall insure against all risks of direct physical loss commonly insured against. If such hazard insurance no longer becomes available in the future, the Association shall obtain such comparable insurance as is then available. The amount of any such hazard insurance obtained pursuant to this Section shall be equal to the full insurable replacement value of the insured property, without deduction for depreciation (i.e. one hundred percent (100%) of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage, but including all Building service equipment), with an "agreed amount endorsement" or its equivalent, if available, or an "inflation guard endorsement," if available, and construction code endorsements, if applicable and to the extent required by the Federal National Mortgage Association. Notwithstanding the foregoing, in no event shall the aggregate amount of the insurance obtained be less than the amount of the initial principal sum of all Eligible Mortgages

in effect from time to time.

2. Such hazard insurance shall afford protection against at least the following:

(a) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;

(b) All other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available;

(c) Such other risks as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation may require by reason of their holding one or more Permitted Mortgages; and,

(d) Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount to be determined by the Executive Board but not to exceed Five Thousand Dollars (\$5,000.00). The amount of any such deductible shall be included in the Association's capital reserve account. If a casualty loss arises from the negligence or reckless conduct of a Unit Owner or his servants, agents, invitees or lessees (including any agents, servants and/or invitees of a lessee), the amount of any deductible relating to that casualty loss shall be charged to that Unit Owner.

11.3.2 Comprehensive Liability Insurance.

1. Comprehensive Liability Insurance policies, complying with the requirements of this Article XI, insuring the Association, the Unit Owners, in their capacity as Unit Owners and Association members and any managing agent retained by the Association, against any liability to the public or to other Unit Owners, their tenants or invitees, relating in any way to the ownership, operation, maintenance and/or use of the Common Elements and any part thereof, the public ways of the project, any other areas under the Association's supervision.

2. Such insurance policies shall contain a "severability of interest endorsement" or equivalent coverage which precluded the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner.

3. Limits of Liability shall be at least One Million Dollars (\$1,000,000.00) covering all claims for personal injury and/or property damage arising out of a single occurrence.

4. Coverage under this policy shall include legal liability arising out of lawsuits related to employment contracts of the Association.

11.3.3 Fidelity Bonds.

1. Fidelity bonds or insurance coverage against dishonest acts on the part of such persons (including by way of illustration and not limitation, Association members, officers, directors, trustees, managers, agents, employees and volunteers) handling or responsible for funds belonging to or administered by the Association. In the event the Association has delegated some or all of the responsibility for the handling of funds to a management agent, separate bonds or insurance coverage shall be obtained and shall include officers, employees and agents of such management agent.

2. Such fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to cover the maximum funds that will be in the custody of the Association or its managing agent at any time while the bond is in force which is in no event less than the sum of three months' assessments on all Units in the Project, plus the Association's reserve funds.

3. In connection with such coverage, an appropriate endorsement to such policy or bond in order to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

4. Such fidelity bond or insurance shall also

(a) name the Association as an obligee;

(b) contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expression;

(c) provide that same may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to the Association and all Permitted Mortgagees.

11.3.4. Indemnification Insurance.

Insurance to satisfy the indemnification obligation of the Association and all Unit Owners set out in this Section 11.3, if and to the extent available, at the election of the Executive Board.

11.3.5 Other Insurance.

The Association may carry any other insurance it deems appropriate to protect the Association or the Unit Owners.

Section 11.4. Required Provisions. Insurance obtained by the Association shall be in accordance with the following provisions:

A. All policies shall be written with a company licensed to do business in the Commonwealth of Pennsylvania and, for the hazard insurance policy described in Section 11.3.1, above, such company must hold at least a general policyholder rating of Class V and a financial size rating of Class III (or, as an alternative, a general policyholder's rating of A), by Best's Insurance Reports, or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

B. Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Executive Board or its authorized representative.

C. With respect to the insurance policies issued to the Association and covering all or any part of the Property, the Association shall cause such policies to provide that:

1. the enforceability of such policies is not affected by any waiver of subrogation as to any and all claims against the Association, any managing agent, the Unit Owners and their respective tenants, employees, agents, customers, and guest, such subrogation being hereby waived;

2. such policies cannot be canceled, invalidated or suspended by means of the conduct of any one or more Unit Owners, all defenses based upon coinsurance or acts of the insured being waived by the insurer, and in no event may cancellation, material modification, invalidation or suspension for any reason be effected without at least thirty (30) days' prior written notice to the Association, any Insurance Trustee, each Unit Owner and all Permitted Mortgagees;

3. such policies cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Association or of any managing agent without a prior demand in writing that the Association or any managing agent, as the case may be, cure the defect within a reasonable period of time;

4. any "no other insurance" clause in such policies shall not prohibit Unit Owners from obtaining insurance on their individual Unit provided such insurance policy conforms with the requirements of this Section 11.4.

5. the name of the insured under each policy required pursuant to this Section 11.4 shall be stated in form and substance substantially as follows: "The Association for the use and benefit of the individual owners of the Units contained in the Arbors at Spring Valley Condominium." The policies may alternatively be issued in the name of an authorized representative of the Association including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the Unit Owners.

6. loss payable under each policy required pursuant to Section 11.3 shall be in favor of the Association or Insurance Trustee (if an Insurance Trustee has been

appointed by the Executive Board pursuant to Section 11.2), as a trustee for each Unit Owner and each such owner's Permitted Mortgagee, as their interests may appear. Policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution) or shall otherwise be endorsed to fully protect the interests of all Permitted Mortgagees. If the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation holds one or more Permitted Mortgages, the policies must name as mortgagee either the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or the servicers for the Permitted Mortgages it holds. Such servicer's name shall be followed by the phrase "its successors and assigns."

7. coverage may not be prejudiced by: (1) any act or negligence of one or more Owners of Units when such act or neglect is not within the control of the Association; or (2) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

8. all policies of property insurance shall provide that, despite any provisions giving the insurer the right to restore damage in lieu of a cash settlement, such options shall not be exercisable (i) without the prior written approval of the Executive Board (or any Insurance Trustee), or (ii) when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party or with any requirement of law.

9. insurance coverage obtained and maintained by the Association pursuant to the requirements of this Article XI may not be brought into contribution with insurance purchased by the Unit Owners or their mortgagees.

10. insurance coverage obtained and maintained by the Association pursuant to the requirements of this Article XI shall provide that no assessment may be made against Permitted Mortgagees or may become a lien on the mortgaged premises superior to the lien of any Permitted Mortgagees.

Section 11.5. Unit Owner's Insurance.

11.5.1 Each Unit Owner may obtain additional insurance at his own expense; provided, however, that:

1. such policies shall not be invalidated by the waivers of subrogation contained in the Condominium Documents; and

2. no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Property at any particular time.

3. any Unit Owner who obtains individual insurance policies covering any portion of the Property, other than:

- (a) personal property belonging to such owner; or
- (b) the individual Unit of such owner;

shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

ARTICLE XII

PROVISIONS RELATING TO ADDITIONAL REAL ESTATE

Section 12.1. Declarant's Intentions. It is the intention of the Declarant to add Additional Real Estate to the initial phase of the Condominium which Additional Real Estate will contain additional Units which will be of a quality similar to those Buildings to be erected on the Land. All owners of Units built on the Additional Real Estate shall share an undivided interest in the Common Elements as determined in Section 12.4, below.

Section 12.2. Additional Real Estate Area Reservations. Declarant reserves to itself the right to add Additional Real Estate to this Condominium. Additions of land to the Condominium may be all or parts of the real property described in Exhibit "B". At the expiration of seven (7) years from the date of recording of this Declaration, the right of the Declarant to add these designated areas from the Condominium will lapse; provided, nevertheless, that Declarant may, in its sole discretion by proper amendment to this Declaration, terminate this option at any time prior to the expiration of seven (7) years from the date of recording of the Declaration. All additions of real property to the Condominium shall be accomplished by the recording of an Amendment to this Declaration.

Section 12.3. Additional Units. The total number of additional Units which the Declarant may place on the Additional Real Estate is thirty (30). Accordingly, if all of the Additional Real Estate were added to the Land covered by the Declaration, and if all of the proposed additional 30 Units were constructed on the Additional Real Estate, there would be a maximum of thirty-five (35) Units on 11.1756 acres net of public roads of real property or approximately 3.13 Units per acre. It is the intention of the Declarant that all of these Units be restricted exclusively to residential use, except for the uses permitted to the Declarant under the Special Declarant's Rights.

Section 12.4. Effect on Share of Common Element Interest, Voting, Expense Liability. Upon the addition of Additional Real Estate to the Condominium, the respective existing Unit Owners' share of the Common Elements will be recalculated so that at all times each Unit Owner shall have one vote and each Unit Owner's Percentage Interest shall be described as a fraction, the denominator of which is the total number of Units which are permanently committed to the Condominium and the numerator of which is the number one (this fraction may be represented by a percentage). Accordingly, all Unit Owners will have an equal vote and an equal percentage

interest. Common Expense Liability shall be computed pursuant to the formula set forth in Section 2.2.

Section 12.5. Representations of Declarant.

12.5.1. Declarant makes no assurances as to the order Additional Real Estate areas will be added to Condominium; nor does Declarant make any representation that any Additional Real Estate will be added to the Condominium.

12.5.2 The maximum number of Units which Declarant may construct in this Condominium project shall be thirty-five (35) Units, all of which shall be restricted to residential use.

12.5.3 While Declarant intends to erect Buildings on the Additional Real Estate which are compatible with the other Buildings and Units in the Condominium, Declarant shall have absolute discretion to determine the architectural style, principal materials employed in construction, and size of each new Building and Unit. Accordingly, no specific assurances are made in this regard.

12.5.4 While Declarant intends that all restrictions in the Declaration affecting use, occupancy and alienation of Units will apply to all Units created on any Additional Real Estate areas, Declarant reserves the right to differentiate these matters as it deems necessary in Units in the Additional Real Estate.

12.5.5 Declarant makes no assurances as to the location of any Buildings or other improvements that may be made or created on the Additional Real Estate nor makes any assurances as to all other improvements and Limited Common Elements or the size or type of Limited Common Elements in the Additional Real Estate areas. No Additional Real Estate will be added to the Condominium until all improvements erected thereon are substantially completed.

12.5.6 The assurances contained within this Section 12.5 may not be applicable in the event that any Additional Real Estate is not added to the Condominium.

ARTICLE XIII

TERMINATION

Section 13.1 The Condominium formed pursuant to this Declaration and the Bylaws attached hereto may be terminated by action of the Unit Owners as follows:

13.1.1 Unit Owners may remove the Property from the provisions of the Act and this Declaration by an instrument to that effect, recorded and containing the signatures of sixty-seven percent (67%) of the Unit Owners, subject to the required consent of Eligible Mortgage

Holders as set forth in Section 7.3, above.

13.1.2 An Agreement of Unit Owners to terminate the Condominium must be evidenced by their execution of a Termination Agreement, in the same manner as a deed, by the requisite number of Unit Owners (as set forth in Section 13.1.1, above). The Termination Agreement must specify the date it was first executed or ratified by a Unit Owner. The Termination Agreement will become null and void unless it is recorded on or before the earlier of (1) the expiration of one year from the date it was first executed or ratified by a Unit Owner; or (2) such date as shall be specified in the Termination Agreement. If pursuant to a Termination Agreement the real estate constituting the Condominium is to be sold following termination, the Termination Agreement must set forth the terms of the sale.

13.1.3 Upon the removal of the Property from the provisions of the Act and this Declaration, the Unit Owners shall be deemed to own the Property as tenants in common with undivided interest in the percentage of undivided interest previously owned by each Unit Owner in the Common Elements and as long as tenancy in common continues. Each Unit Owner shall have an exclusive right of occupancy of that portion of the Property, which formerly constituted his Unit.

13.1.4 Upon removal of the Property from the provisions of the Act and this Declaration, any rights the Unit Owners may have to the assets of the Association shall be in proportion to their respective undivided interest in Common Elements immediately prior to the recordation of the instrument referred to in Section 13.1.1, above.

13.1.5 The removal provided for in this section shall not bar the subsequent resubmission of the Land and/or the Property to the provisions of the Act.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Effect of Acceptance of a Deed. Each Unit Owner, by acceptance of a deed for a Unit from its then owner, and the Declarant, for all Units owned by it, shall be subject to all of the rights and duties assigned to Unit Owners under the Condominium Documents and the Rules and Regulations of the Association.

Section 14.2 Additional Rights of Declarant.

14.2.1 The Declarant may, at its option, control the Association during the Declarant Control Period.

14.2.2 During the Declarant Control Period, the Declarant may appoint and remove the officers and members of the Executive Board except as otherwise provided in one or more of Sections 3303 (c), (d) and (e) of the Act.

14.2.3 Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units to Unit Owners other than the Declarant, an election shall be held (the Transition Election)'at which time at which time one additional member shall be elected to the Executive Board by Unit Owners other than the Declarant, who shall not be subject to removal by the Declarant. The Executive Board shall then consist of four (4) members. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units to Unit Owners other than the Declarant, a second Transition Election shall be held at which time an additional member shall be elected to the Executive Board by Unit Owners other than the Declarant, who shall not be subject to removal by the Declarant. The Executive Board shall thereafter consist of five (5) members.

14.2.4 Not later than the earlier of (i) five (5) years after the date of the conveyance of the first Unit, or (ii) one hundred twenty (120) days after seventy-five percent (75%) of the Units have been conveyed to Unit Owners other than Declarant, all members of the Executive Board appointed by Declarant shall resign, and the Unit Owners (including Declarant to the extent Units are owned by Declarant) will elect the entire Executive Board.

14.2.5 In determining whether a Transition Election should be held under Section 14.2.3 or in determining whether the Declarant Control Period has terminated under Section 14.2.4 or whether Unit Owners other than the Declarant are entitled to elect members of the Executive Board, the percentage of the Units conveyed is presumed to be that percentage which would have been conveyed if all the Units the Declarant has built or has reserved the right to build in this Declaration on the Additional Real Estate were included in the Condominium.

Section 14.3 Resale Certificates. Upon the transfer of a Unit from a Unit Owner other than the Declarant, each Unit Owner shall comply with the requirements of Section 3407 of the Act by providing a certificate (Resale Certificate)'to the purchaser of the Unit. The Association may charge a reasonable fee to a Unit Owner if the Resale Certificate is prepared by the Association or if the Association provides to the Unit Owner or his representative the information necessary to prepare the Resale Certificate.

Section 14.4 Limitation of Rental Units. Other than Units owned by Declarant, at no time shall more than thirty percent (30%) of all Units be Investor-Owned Units. All lease agreements for Investor-Owned Units must be in writing and must be under and subject to the provisions of the Condominium Documents and the Rules and Regulations of the Association. No Investor-Owned Unit may be leased for a period of less than thirty (30) days.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this _____
day of _____, 2006.

First Neighborhood LLC,
a Pennsylvania limited liability company

By: Millfield Construction Co., Manager

By: _____
G. Robert Riahi, President

Millfield Construction Co.,
a Pennsylvania corporation

By: _____
G. Robert Riahi, President

COMMONWEALTH OF PENNSYLVANIA :
: SS:
COUNTY OF LANCASTER :

On this ____ day of _____, 2006, before me, the undersigned officer, personally appeared G. Robert Riahi, who acknowledged himself to be the President of Millfield Construction Co., and that he as such President, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as the President.

Witness my hand and notarial seal.

Notary Public

My Commission Expires:_____

COMMONWEALTH OF PENNSYLVANIA :
: SS:
COUNTY OF LANCASTER :

On this ____ day of _____, 2006, before me, the undersigned officer, personally appeared G. Robert Riahi, who acknowledged himself to be the President of Millfield Construction Co., Manager of First Neighborhood LLC, and that he as such President, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as the President.

Witness my hand and notarial seal.

Notary Public

My Commission Expires:_____

EXHIBIT A
LEGAL DESCRIPTION
LAND (PHASE I)

Legal Description
Land Phase 1
Arbors at Spring Valley
East Hempfield Township

August 31, 2006

ALL THAT CERTAIN piece, parcel, or tract of land, situated on the North side of Spring Valley Road, located in East Hempfield Township, Lancaster County, Pennsylvania, being know as Land Phase 1, as shown on Exhibit A - Arbors At Spring Valley, prepared by David Miller/Associates, Job No. 04-195.8, said tract being more fully bounded and described as follows:

BEGINNING at a point on the proposed North right-of-way line of Spring Valley Road, said point being in line of lands now or formerly of Brett R. & Jennifer L. Miller; thence extending along lands of Miller the two (02) following courses and distances: [1] North three (03) degrees twenty-eight (28) minutes twenty-one (21) seconds West, a distance of nineteen and nineteen hundredths (19.19) feet to a point; and [2] South eighty-nine (89) degrees forty-five (45) minutes twenty (20) seconds West, a distance of thirteen and fifteen hundredths (13.15) feet to a point in line of School Lane Hills Estates; thence extending along the same, North four (04) degrees forty-one (41) minutes nine (09) seconds West, a distance of two hundred four and eighteen hundredths (204.18) feet to a point, a corner of Arbors At Spring Valley, Additional Real Estate; thence extending along the same the six (06) following courses and distances: [1] South seventy-four (74) degrees zero (00) minutes zero (00) seconds East, a distance of two hundred sixty-seven and forty-one hundredths (267.41) feet to a point; [2] South forty-eight (48) degrees eight (08) minutes twenty-four (24) seconds East, a distance of sixty-eight and fifteen hundredths (68.15) feet to a point; [3] on a line curving to the left having a radius of ninety-eight and eighty-three hundredths (98.83) feet, an arc length of forty-four and sixty-one hundredths (44.61) feet, a chord bearing of South twenty-eight (28) degrees fifty-five (55) minutes forty-eight (48) seconds West, and a chord distance of forty-four and twenty-three hundredths (44.23) feet to a point; [4] South sixteen (16) degrees zero (00) minutes zero (00) seconds West, a distance of one hundred ten and three hundredths (110.03) feet to a point; [5] on a line curving to the left having a radius of eighty-five and eighty-three hundredths (85.83) feet, an arc length of eighty-one and seventy-six hundredths (81.76) feet, a chord bearing of South eleven (11) degrees seventeen (17) minutes twenty-four (24) seconds East, and a chord distance of seventy-eight and seventy hundredths (78.70) feet to a point; and [6] South fifty-seven (57) degrees seventeen (17) minutes forty-two (42) seconds West, a distance of eighty-eight and zero hundredths (88.00) feet to a point on the proposed North right-of-way line of Spring Valley Road; thence extending along the same the three (03) following courses and distances: [1] on a line curving to the right having a radius of one hundred seventy-five and zero hundredths (175.00) feet, an arc length of twenty-four and ninety-one hundredths (24.91) feet, a chord bearing of North forty-two (42) degrees ten (10) minutes zero (00) seconds West, and a chord distance of twenty-four and eighty-nine hundredths (24.89) feet to a

Legal Description
Land Phase 1
Arbors at Spring Valley
East Hempfiled Township
Exhibit A, Page 2

point; [2] North thirty-eight (38) degrees five (05) minutes twenty (20) seconds West, a distance of one hundred one and fifty-four hundredths (101.54) feet to a point; and [3] on a line curving to the left having a radius of two hundred twenty-five and zero hundredths (225.00) feet, an arc length of one hundred eleven and twenty-eight hundredths (111.28) feet, a chord bearing of North fifty-two (52) degrees fifteen (15) minutes twenty-seven (27) seconds West, and a chord distance of one hundred ten and fifteen hundredths (110.15) feet to the place of BEGINNING.

CONTAINING 1.61 Acres

EXHIBIT B
LEGAL DESCRIPTION
ADDITIONAL REAL ESTATE ”

Legal Description
Additional Real Estate
Arbors at Spring Valley
East Hempfield Township

August 31, 2006

ALL THAT CERTAIN piece, parcel, or tract of land, situated on the North side of Spring Valley Road, located in East Hempfield Township, Lancaster County, Pennsylvania, being know as Additional Real Estate, as shown on Exhibit A - Arbors At Spring Valley, prepared by David Miller/Associates, Job No. 04-195.8, said tract being more fully bounded and described as follows:

BEGINNING at a point on the proposed North right-of-way line of Spring Valley Road, said point being in line of Chestnut Valley; thence extending along Spring Valley Road the six (06) following courses and distances: [1] North eighty-six (86) degrees ten (10) minutes fifty-six (56) seconds West, a distance of five and eighty-four hundredths (5.84) feet to a point; [2] on a line curving to the left having a radius of one thousand three hundred twenty-five and zero hundredths (1325.00) feet, an arc length of two hundred twenty and sixty-three hundredths (220.63) feet, a chord bearing of South eighty-nine (89) degrees two (02) minutes fifty-one (51) seconds West, and a chord distance of two hundred twenty and thirty-seven hundredths (220.37) feet to a point; [3] South eighty-four (84) degrees sixteen (16) minutes thirty-eight (38) seconds West, a distance of sixty-six and seventy-one hundredths (66.71) feet to a point; [4] on a line curving to the right having a radius of three hundred fifty and zero hundredths (350.00) feet, an arc length of eighty-one and nineteen hundredths (81.19) feet, a chord bearing of North eighty-nine (89) degrees four (04) minutes thirty-eight (38) seconds West, and a chord distance of eighty-one and one hundredths (81.01) feet to a point; [5] North eighty-two (82) degrees twenty-five (25) minutes fifty-four (54) seconds West, a distance of one hundred ninety-two and forty-seven hundredths (192.47) feet to a point; and [6] on a line curving to the right having a radius of one hundred seventy-five and zero hundredths (175.00) feet, an arc length of one hundred ten and fifty-three hundredths (110.53) feet, a chord bearing of North sixty-four (64) degrees twenty (20) minutes seventeen (17) seconds West, and a chord distance of one hundred eight and seventy hundredths (108.70) feet to a point, a corner of Arbors At Spring Valley, Land Phase 1; thence extending along the same the six (06) following courses and distances: [1] North fifty-seven (57) degrees seventeen (17) minutes forty-two (42) seconds East, a distance of eighty-eight and zero hundredths (88.00) feet to a point; [2] on a line curving to the right having a radius of eighty-five and eighty-three hundredths (85.83) feet, an arc length of eighty-one and seventy-six hundredths (81.76) feet, a chord bearing of North eleven (11) degrees seventeen (17) minutes twenty-four (24) seconds West, and a chord distance of

Legal Description
Additional Real Estate
Arbors at Spring Valley
East Hempfield Township
Exhibit B, Page 2

seventy-eight and seventy hundredths (78.70) feet to a point; [3] North sixteen (16) degrees zero (00) minutes zero (00) seconds East, a distance of one hundred ten and three hundredths (110.03) feet to a point; [4] on a line curving to the right having a radius of ninety-eight and eighty-three hundredths (98.83) feet, an arc length of forty-four and sixty-one hundredths (44.61) feet, a chord bearing of North twenty-eight (28) degrees fifty-five (55) minutes forty-eight (48) seconds East, and a chord distance of forty-four and twenty-three hundredths (44.23) feet to a point; [5] North forty-eight (48) degrees eight (08) minutes twenty-four (24) seconds West, a distance of sixty-eight and fifteen hundredths (68.15) feet to a point; and [6] North seventy-four (74) degrees zero (00) minutes zero (00) seconds West, a distance of two hundred sixty-seven and forty-one hundredths (267.41) feet to a point in line of School Lane Hills Estates; thence extending along the same the four (04) following courses and distances: [1] North four (04) degrees forty-one (41) minutes nine (09) seconds West, a distance of ninety-six and sixty-one (96.61) feet to a point; [2] South eighty (80) degrees thirty-nine (39) minutes fifty (50) seconds East, a distance of twenty and zero hundredths (20.00) feet to a point; [3] North three (03) degrees twenty-eight (28) minutes twenty-one (21) seconds West, a distance of one hundred three and eleven hundredths (103.11) feet to a point; and [4] South eighty-eight (88) degrees forty-four (44) minutes thirty-four (34) seconds East, a distance of seven hundred fifty-three and fifty-seven hundredths (753.57) feet to a point in line of Chestnut Valley; thence extending along the same, South nine (09) degrees three (03) minutes fifty-six (56) seconds East, a distance of six hundred thirty-nine and sixty-one hundredths (639.61) feet to the place of BEGINNING.

CONTAINING 9.36 Acres

EXHIBIT C
LIST OF UNITS WITH PERCENTAGE INTEREST

<u>UNIT</u>	<u>% INTEREST</u>
1	20.00%
2	20.00%
3	20.00%
4	20.00%
5	20.00%