

**PUBLIC OFFERING STATEMENT**

**for**

**CHAPEL HILL ESTATES**

**A PLANNED COMMUNITY**

**Purchasers should read this document  
carefully for their own protection**

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PLANNED COMMUNITY

CHAPEL HILL ESTATES, a Planned  
Community

LOCATION OF PLANNED COMMUNITY

Marshall Township, Allegheny County,  
Pennsylvania

NAME OF FORMER  
DECLARANT

**Chapel Hill Estates, LP** a Pennsylvania  
limited partnership

NAME AND ADDRESS OF  
SPECIAL DECLARANT:

**Chapel H Estates, LLC**, a Pennsylvania  
limited liability company, currently  
maintaining its principal place of business  
address at 510 Langdon Farms  
Gibsonia, PA 15044

EFFECTIVE DATE OF PUBLIC  
OFFERING STATEMENT:

October 15, 2014

Pennsylvania law requires that the original seller of the Planned Community Lots disclose fully and accurately the characteristics of the Lots being offered for sale. This Public Offering Statement is the means by which such disclosure is to be made and is given in compliance with Section 5402 of the Pennsylvania Uniform Planned Community Act, 68 Pa. Cons. Stat. §5101 et seq. (the “Act”).

**IMPORTANT NOTICE PURSUANT TO 68 Pa.C.S. § 5402(A)(13):**

- (i) UNDER THE LAW, WITHIN SEVEN (7) DAYS AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT OR AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT MATERIALLY AND ADVERSELY AFFECTS THE RIGHTS OR OBLIGATIONS OF THE PURCHASER, THE PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A LOT FROM A DECLARANT.**
- (ii) IF A DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS TO A PURCHASER BEFORE CONVEYING A LOT, THE PURCHASER MAY RECOVER FROM THE DECLARANT DAMAGES AS PROVIDED IN SECTION 5406(C) (RELATING TO PURCHASER'S RIGHT TO CANCEL).**
- (iii) PURSUANT TO SECTION 5406(C) OF THE ACT, IF A DECLARANT FAILS TO PROVIDE A PURCHASER TO WHOM A LOT IS CONVEYED WITH A PUBLIC OFFERING STATEMENT AND ALL AMENDMENTS THERETO AS REQUIRED BY SUBSECTION (A), THE PURCHASER, IN ADDITION TO ANY OTHER RELIEF, IS ENTITLED TO RECEIVE FROM THE DECLARANT AN AMOUNT EQUAL TO 5% (FIVE PERCENT) OF THE SALES PRICE OF THE LOT UP TO A MAXIMUM OF \$ 2,000 (TWO THOUSAND DOLLARS) OR ACTUAL DAMAGES, WHICHEVER IS THE GREATER AMOUNT. A MINOR OMISSION OR ERROR IN THE PUBLIC OFFERING STATEMENT OR AN AMENDMENT THERETO THAT IS NOT WILLFUL SHALL ENTITLE THE PURCHASER TO RECOVER ONLY ACTUAL DAMAGES, IF ANY.**
- (iv) IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN SEVEN DAYS BEFORE SIGNING A CONTRACT, THE PURCHASER CANNOT CANCEL THE CONTRACT UNLESS THERE IS AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT WOULD HAVE A MATERIAL AND ADVERSE EFFECT ON THE RIGHTS OR OBLIGATIONS OF THAT PURCHASER.**

TABLE OF EXHIBITS

EXHIBIT

DOCUMENT

1	DECLARATION OF PLANNED COMMUNITY
2	ASSIGNMENT OF SPECIAL DECLARANT RIGHTS
3	BYLAWS OF PLANNED COMMUNITY
4	BUDGET FOR HOMEOWNERS ASSOCIATION
5	SAMPLE AGREEMENT OF SALE

**IMPORTANT INFORMATION TO BE CONSIDERED WHEN READING  
THIS PUBLIC OFFERING STATEMENT:**

Pennsylvania law requires the original seller of Planned Community Lots (hereafter referred to as “Lots”) to disclose fully and accurately certain characteristics of the Planned Community Lots being offered for sale. This Public Offering Statement is the means by which such disclosures are to be made.

The statements contained herein are only summary in nature. Prospective purchasers shall refer to all references and Exhibits.

Oral representations cannot be relied upon as correctly stating the representations of **Chapel H Estates, LLC**, a Pennsylvania limited liability company. Refer to this Public Offering Statement and its Exhibits for correct representations.

**CHAPEL HILL, a Planned Community**  
**PUBLIC OFFERING STATEMENT**

**ARTICLE I**  
**INTRODUCTION**

In August 17, 2012, a Pennsylvania Limited Partnership known as **Chapel Hill Estates, LP** (the “Former Declarant”), filed a Planned Community Declaration for Chapel Hill Estates (the “**Declaration**”). The Declaration was recorded in the Department of Real Estate of Allegheny County at Deed Book Volume 14982, Page 69, pursuant to the terms of the Pennsylvania Uniform Planned Community Act, 68 P.S. §§5101 et seq. (the “**Act**”). The Declaration, among other things, addresses how the common areas and facilities of the Community will be managed, and the construction of the residential dwellings identified therein once Lots are constructed.

Effective January 10, 2014, **Chapel H Estates, LLC**, a Pennsylvania limited liability company (the “Special Declarant”), entered into an Assignment and Assumption of Special Declarants Rights with the Former Declarant, wherein the Special Declarant accepted certain rights to complete certain uncompleted portions of the Planned Community. A copy of the Assignment and Assumption of Special Declarants Rights is attached hereto as **Exhibit “2”**.

The Special Declarant has agreed to make efforts to complete the Planned Community as proposed by the Former Declarant. However, the Special Declarant has not accepted any obligations under the Declaration with respect to (i) construction within, improvements to, warranty of, or operations or maintenance of any improvements within the Planned Community, other than those Lots acquired by the Special Declarant and the sidewalks appurtenant to said Lots, or (ii) the operations, financial transactions, budgeting assessments for Common Expenses, expenditures on behalf of the Association and all other components of managing the Association during the period of the Former Declarant’s control, or (iii) the conveyance of the Common

Elements of the Planned Community from Former Declarant to the Association. All purchasers agree to be bound by the limitations set forth above.

As of the effective date of this Public Offering Statement, the Special Declarant has acquired thirteen (13) Lots being Lot Nos. 101, 104, 105, 106, 107, 109, 110, 111, 113, 115, 116, 118 and 120, being the remaining unsold thirteen (13) lots in the Chapel Hills Estates Plan No. 1, as recorded in the Department of Real Estate of Allegheny County, Pennsylvania, in Plan Book Volume 274, Page 92 (the "Plan").

The Special Declarant presents its proposal for Lot ownership of certain real estate located in Marshall Township, Allegheny County, Pennsylvania. The real estate will constitute a Planned Community known as **CHAPEL HILL ESTATES**, a Planned Community, (the "Planned Community"). Lots will be offered by the Special Declarant for sale to the public. Each Lot Owner is a member of the **CHAPEL HILL ESTATES HOMEOWNERS' ASSOCIATION, Inc.** (the "Association").

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

## **ARTICLE II**

### **PLANNED COMMUNITIES IN GENERAL**

The term "**planned community**" refers to a form of real estate ownership. A planned community is real estate with respect to which a person, by virtue of ownership of an interest in any portion of the real estate, is or may become obligated, by covenant, easement or agreement

imposed on the owner's interest, to pay an amount for insurance, real property taxes, insurance, maintenance, repair, improvement, management, administration or regulation of any part of the real estate other than the portion or interest owned solely by the person. As used herein, the term "Planned Community" shall mean **CHAPEL HILL ESTATES**, the Planned Community created by the Declaration as hereinafter described.

Real estate that is owned in a planned community contains two distinct types of property, "**Lots**" and "**Common Elements**".

**Lots** are portions of the Planned Community set aside for individual ownership and which may be used only by the Lot Owner.

**Common elements** include: (i) "**Common Facilities**" which is any real estate within the Planned Community which is owned by the Association and is maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association; and (ii) "**Controlled Facilities**" which is any real estate within the Planned community, whether or not part of a Lot, that is not a Common Facility but is maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association. All Lot owners within the Planned Community are required to pay on a pro-rata basis the expenses of the Common Facilities and Controlled Facilities.

### **ARTICLE III**

#### **GENERAL DESCRIPTION OF THE PLANNED COMMUNITY**

#### **PROPERTY AND LOTS**

**Description of the Planned Community.** The Community consists of approximately 19.8 acres of land, upon which it is presently contemplated will be constructed a total of twenty (20) Lots.



The Declaration (the "Declaration"), a copy of which is attached as **Exhibit "1"** to this Public Offering Statement, is the legal document that creates the Planned Community. The Declaration became effective when recorded in the Department of Real Estate of Allegheny County, Pennsylvania. The Declaration establishes the boundaries of the Planned Community as a whole. In addition, the Declaration establishes special property rights within the Planned Community, such as Common Elements, comprised of Common Facilities and Controlled Facilities, and easements (see below), as well as the obligations of the individual Lot Owners with respect to such property rights. Incorporated into the Declaration is the Plan, as the same may be amended from time to time, on which the Lots are shown with their respective assigned Lot designation numbers, as well as, when appropriate, labels on the various portions of the Planned Community property indicating the Common Elements.

The Planned Community property consists of Lots upon which residential dwellings are to be constructed. The Lots are numbered as shown on the Plan. Within the Planned Community the Common Facilities consist of, but are not limited to, any real estate within the Planned Community, labeled or otherwise described as either "Open Space" or "Common Facility" or similar terms on the Plan; and any real property so labeled or described on any plan referred to in any amended declaration hereafter recorded as well as any other property owned by the Former Declarant or conveyed to and accepted by the Association for the common use and enjoyment of each Owner. More specifically, "Common Facilities" shall include but are not limited to the Open Space, any monuments erected on the Open Space, stormwater management facilities (to the extent not otherwise dedicated to and accepted by the Township), all street lighting poles (to the extent not owned by a public utility or the Township), sidewalks, (but only to the extent that such sidewalks abut Open Space, not a Lot), all landscaped, grass or undeveloped portions of the Property which are not within any Lot, all utilities, utility easements and other easement rights or personal property for each Owner's common use; and any other property of any type specifically designated as Common Facilities.

Amendments of the Declaration may be accomplished by 75% vote of the Lot Owners on the basis of one vote per Lot unless (i) unanimous consent is required by the Act; or (ii) otherwise as permitted by the Act or the Declaration.

The Lots in the Planned Community are restricted to residential use except that the Special Declarant and Approved Builders may use any unsold Lots as models, sales offices, and/or for the storage of building materials, waste dumpsters, excavated materials and/or topsoil stockpiles.

**ARTICLE IV  
CONSTRUCTION SCHEDULE**

The projected schedule of commencement and completion of the amenities are as follows:

YEAR	IMPROVEMENTS
2015	Infrastructure, Improvements, Utilities and Streets as set forth in the Developer's Agreement with Marshall Township.

**It is estimated that the entire project will be completed by 2015.** (Not including construction of residential dwellings). The above schedule is merely a projection and is subject to a number of variables beyond the Special Declarant's control, such as the pace of sales activity and construction delays, which could accelerate or slow down the projected construction schedule.

**ARTICLE V**  
**LOTS FOR INVESTMENT PURPOSES**

The Special Declarant makes no representation with respect to the number of Lots which may be marketed to investors for rental purposes.

**ARTICLE VI**  
**MASTER ASSOCIATION**

The Planned Community will not be a part of a master association.

**ARTICLE VII**  
**PLANNED COMMUNITY ASSOCIATION**

The **CHAPEL HILL ESTATES HOMEOWNERS' ASSOCIATION, Inc.** (the "Association"), is the association responsible for the governing of the Planned Community. Each Lot Owner is automatically a member of the Association when the Lot Owner completes final settlement on his Lot. Each Lot affords that Lot Owner one (1) vote in Association matters.

The Association has been established for the purpose of providing a mechanism for the maintenance and upkeep of the Common Facilities within the Planned Community. The costs for this maintenance and upkeep will be shared by all Lot Owners within the Planned Community again by way of monthly assessments set by the Association's Executive Board.

All the normal operations of the Association will be accomplished under the direction of the Executive Board. All members of the Executive Board must be Lot Owners. The Executive Board shall consist of three (3) members. The Executive Board members are elected by the Lot Owners. The Executive Board members in turn elect the officers of the Association.

The Executive Board will either act on its own, or employ a third party management company (the “Manager”) to act in its behalf in the performance of all duties other than policy-making duties, acquiring property, opening bank accounts and borrowing money.

The operation of the Association is governed by the **Bylaws**. In addition to provisions for the Executive Board, Manager and officers as discussed above, the Bylaws provide for annual and special meetings, common expense assessments, insurance, restrictions on the use of Lots and Common Elements, and numerous other matters affecting the occupancy and operation of the Planned Community. A copy of the Bylaws is attached as **Exhibit “3”** to this Public Offering Statement. The Bylaws may be amended by majority of the Lot Owners.

## **ARTICLE VIII ASSOCIATION MAINTENANCE**

The Association is responsible to maintain and keep in good repair the Common Facilities and Controlled Facilities as required by the terms of the Declaration. Otherwise, the repair, maintenance and replacement of all improvements located on the Lot shall be the responsibility of the Owner.

## **ARTICLE IX INSURANCE**

The Executive Board will maintain insurance primarily to protect the Association. The Association and Lot Owners will be insured against liability arising from ownership or use of the

Common Facilities. This coverage will not insure Lot Owners against liability arising from an accident or injury occurring within a Lot or liability arising from the act or negligence of a Lot Owner.

**EACH LOT OWNER SHOULD MAINTAIN HIS OWN LIABILITY INSURANCE FOR HIS LOT. EACH LOT OWNER HAS THE RESPONSIBILITY OF MAINTAINING SUCH INSURANCE COVERAGES AGAINST FIRE AND OTHER HAZARDS THAT MAY CAUSE DAMAGE TO THE IMPROVEMENTS LOCATED ON AND/OR WITHIN ANY LOT.**

The Executive Board may also maintain appropriate workmen's compensation insurance as may be necessary, and, at the Executive Board's option, fidelity coverage to protect against dishonest acts on the part of officers, Board members, trustees and employees of the Association and all others who handle funds of the Association, including the Manager.

The Executive Board may also carry such other policies of insurance, or greater amounts of insurance coverage, as it deems appropriate to protect the Association or the Lot Owners.

## **ARTICLE X TAXES**

Real property taxes are levied separately against individual Planned Community Lots and each Lot Owner will be responsible for the payment of the taxes on his own Lot. **ANY STATEMENT BY THE SPECIAL DECLARANT OR ITS SUCCESSORS OR AGENTS REGARDING THE TAX ASSESSED VALUE OF THE LOTS IS ON THE BASIS OF ESTIMATES ONLY, AND THE SPECIAL DECLARANT CANNOT PROVIDE ANY ASSURANCES WITH RESPECT TO THE ACCURACY OF THOSE ESTIMATES.**

**ARTICLE XI**  
**EASEMENTS, LIENS AND ENCUMBRANCES ON TITLE**

**Easements.** The Planned Community will be subject to the normal utility easements for water, sewer, gas, electric, storm water and telephone lines. In addition, the Planned Community will be subject to certain easements created by the Declaration and by the Pennsylvania Uniform Planned Community Act. These easements are:

- a. An easement in favor of the Special Declarant creating a perpetual right of access and easement to the Planned Community.
- b. An easement in favor of the Special Declarant for the purpose of maintaining and correcting the drainage of surface water within the Planned Community.
- c. An easement in favor of the Special Declarant and for builders for the development and construction of the improvements within the Planned Community.
- d. An easement in favor of each Lot Owner for the use and enjoyment of the Common Facilities.
- e. An easement in favor of each Lot Owner for pedestrian access over the Common Facilities of the Planned Community.
- f. An easement in favor of the Special Declarant and/or the Association for the reconstruction, improvement, repair or maintenance of the Common Facilities and Controlled Facilities.

g. An easement in favor of Lot Owners and/or the Association to the extent that any Lot or Common Facility encroaches on any other Lot or Common Facility.

h. An easement in favor of the Special Declarant (and other parties, as may be designated by the Special Declarant, pursuant to the requirements of the Act) for development of the Planned Community, as shown on the Plan, for all purposes relating to the construction, development, leasing and sale of improvements including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directions and promotional signs.

**Liens and Encumbrances.** In the event a lien for construction or other financing encumbers a Lot, the Lot will be fully released from the lien at final settlement when title to the Lot is conveyed to a purchaser. When a purchaser purchases a Lot, at final settlement the Lot will be conveyed to that purchaser free and clear of all liens and encumbrances.

## **ARTICLE XII FINANCING**

The Special Declarant is not offering or arranging any financing for purchasers of the Lots. Any sources of mortgage financing which are made available in connection with Lot sales are for convenience of the purchaser only. Each purchaser will be responsible for obtaining his own financing for the purchase of the Lot. Nevertheless, each mortgagee of a Lot will be afforded certain rights under the Declaration in order to accommodate the financing of the Lots.

**ARTICLE XIII**  
**RESTRICTIONS ON TRANSFER AND LEASING**

There are no restrictions on the resale of a Lot by the Lot Owner. The restrictions on the leasing of a Lot by the Lot Owner are set forth in the Declaration.

**ARTICLE XIV**  
**OTHER USE RESTRICTIONS**

Lots may be used by the Lot Owners only for private residential purposes. The Special Declarant has the right to use Lots which it owns as sales or management offices or models. The Declaration also sets the regulations related to pets and prohibits storing or parking unlicensed vehicles, trucks (except pick-ups), boats and recreational vehicles at the Community. Lots may not be subdivided. Please see the Declaration for the balance of the restrictions to which the portions of the Planned Community are subject.

**ARTICLE XV**  
**ZONING, HOUSING AND BUILDING CODES**

The Planned Community property is zoned SR – Suburban Residential under the Zoning Ordinance of Marshall Township, Allegheny County, Pennsylvania. The Planned Community is in compliance with all applicable restrictions. There are no outstanding notices of uncured violations of building code or other municipal regulations. The only government approval and permit required by the Township for the use and occupancy of the Planned Community is an occupancy permit.



**ARTICLE XVI**  
**WARRANTIES**

For the purpose of this Article, "Structural Defects" mean those defects in components constituting any, Lot or Common Facility which would require repair, renovation, alteration or replacement and either (A) reduce the stability or safety of the structure below acceptable standards, or (B) restrict the normal intended use of all or any part of the structure.

The term "Approved Builder" shall mean a construction contractor, other than the Special Declarant, for which the Special Declarant, or the Special Declarant's designee, has provided written approval regarding the construction of improvements upon one or more of the Lots within the Planned Community. Only the Special Declarant or Approved Builders shall construct the dwellings upon the Lots. If an Owner's dwelling is constructed by an Approved Builder, said Owner shall look solely to the warranty provided by the Approved Builder to cover the dwelling.

The Special Declarant also warrants against Structural Defects in those Common Facilities constructed by the Special Declarant for two (2) years. The two (2) years shall begin as to each of the Common Facilities whenever such Common Facility has been completed by the Special Declarant.

**THE SPECIAL DECLARANT HAS NOT ACCEPTED ANY OBLIGATIONS UNDER THE DECLARATION WITH RESPECT TO (I) CONSTRUCTION WITHIN, IMPROVEMENTS TO, WARRANTY OF, OR OPERATIONS OR MAINTENANCE OF ANY IMPROVEMENTS WITHIN THE PLANNED COMMUNITY, OTHER THAN THOSE LOTS ACQUIRED BY THE SPECIAL DECLARANT, (II) THE OPERATIONS, FINANCIAL TRANSACTIONS, BUDGETING ASSESSMENTS FOR COMMON EXPENSES, EXPENDITURES ON BEHALF OF THE ASSOCIATION AND ALL OTHER COMPONENTS OF MANAGING THE ASSOCIATION DURING THE PERIOD OF THE FORMER DECLARANT'S CONTROL, OR (III) THE**

**CONVEYANCE OF THE COMMON FACILITIES OF THE PLANNED COMMUNITY  
FROM FORMER DECLARANT TO THE ASSOCIATION.**

No action to enforce the warranties set forth above shall be commenced later than six (6) years after the warranty begins.

**EXCEPT AS SET FORTH HEREINABOVE, THE DWELLINGS, LOTS AND COMMON ELEMENTS ARE BEING SOLD “AS IS” WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR HABITABILITY.**

**ARTICLE XVII  
JUDGMENTS OR PENDING LITIGATION**

As of the effective date of this Public Offering Statement, the Special Declarant knows of no litigation, pending or threatened, which would materially adversely affect the Planned Community or the Special Declarant’s ability to convey clear title to the Lot. The Special Declarant knows of no judgments against the Association, nor is the Association a party to any pending suits.

**ARTICLE XVIII**  
**ESCROW ACCOUNTS FOR DEPOSITS**

Any deposit made in connection with the purchase of a Lot from the Special Declarant will be held by the Special Declarant in an escrow account in accordance with the provisions of Section 5408 of the Act. Such deposits held in escrow should be returned to the purchaser if the purchaser cancels the contract to purchase the Lot pursuant to the purchaser's right to cancel as afforded in the Uniform Planned Community Act and as further set forth on the first page of this Public Offering Statement, or if the deposit is to be returned to the purchaser in accordance with the provisions of the Agreement of Sale. The Special Declarant makes no assurances or representations regarding deposits paid pursuant to the purchase of a Lot from persons or entities other than the Special Declarant.

**ARTICLE XIX**  
**AGREEMENT OF SALE**

The **Agreement of Sale** sets forth the various rights, duties and obligations of the purchaser and Declarant with reference to the individual Lot to be purchased. The basic **Agreement of Sale** form to be used by the Special Declarant is included as **Exhibit "5"** hereto. The Owner will be responsible for the payment of all premiums for title insurance coverage which is desired to be purchased by the Owner or is required by the Owner's lender. The Special Declarant reserves the right to modify this form of **Agreement of Sale** from time to time prior to signing by a purchaser.

With regard to dwellings, Approved Builders have their own Construction Agreement between said Approved Builder and a purchaser of a Lot which is proprietary to that Approved Builder. As a result, no Construction Agreement is included, but purchasers should carefully review the Construction Agreement supplied to them by the Approved Builder.

**ARTICLE XX**  
**FINANCIAL MATTERS**

Lot Owners will be assessed for Common Expenses to obtain the funds necessary to meet the budget of the Association. The assessments will be payable in monthly installments, and shall be due and payable in advance on the first day of the month.

The amount assessed against each Lot will be based upon the Percentage Interest of that Lot relative to the entire Planned Community. The percentage of the common expense obligation allocated to each Lot shall be calculated by dividing the number one (1) by the aggregate number of Lots. The Lot Owner is responsible for the payment of that percentage of the total annual budget. Therefore, each Lot Owner will be assessed an amount equal to such Owner's Percentage Interest multiplied by the total annual budget. The obligation to pay Common Expenses that benefit fewer than all of the Lots shall be assessed exclusively against the Lots benefited on an equal basis.

The obligation to pay Common Expenses that benefit fewer than all of the Lots shall be assessed exclusively against the Lots benefited on an equal basis. For assessment purposes, a Lot is deemed to be created, and thus subject to the payment of assessments, only upon issuance of an occupancy permit for that Lot or the possession of such Lot, whichever later occurs. The Declarant shall not be assessed on unsold Lots that have not yet been created, but shall only be responsible for any actual costs incurred by the Association with respect to such Lots to which Declarant holds title on an equal basis with Lots that are sold and occupied.

The **Budget** should cover all anticipated Common Expenses for the upcoming fiscal year, such as accounting and legal fees, insurance and administration expenses and maintenance of the Common Facilities. The Budget should also include whatever amount the Executive Board has estimated to be necessary as an adequate reserve to provide for unforeseen contingencies, working capital and repair or replacement of the Common Facilities.

The Association has adopted a Budget for this year of the Planned Community's operation. A copy of the proposed Budget is attached to this Public Offering Statement as **Exhibit "4"**. The budget figures are, of course, estimates, and the Association cannot be certain that sufficient funds have been budgeted to cover all Common Expenses that may be incurred. In the event that insufficient funds are budgeted for any given fiscal year, the Executive Board may levy a special assessment to make up the budget deficit. Any special assessment will be payable by Lot Owners either in a lump sum or in installments, as the Executive Board determines. Since the budget is only for one year, no inflation was assumed.

There is no personal property owned and provided by the Special Declarant and being used or to be used in the operation and enjoyment of the Common Facilities that is or will be required in connection with the operation and enjoyment of the Common Facilities.

Except as otherwise provided in the Declaration, a Lot Owner must pay directly all of the costs of maintenance and repair for his own Lot and any improvements thereto.

All of the amounts assessed against a Lot are a **lien** on that Lot. This ability to lien a Lot protects all Lot Owners by providing a mechanism to enforce the obligation of each Lot Owner to pay his share of the Common Expenses. The Lot Owner cannot dispose of his Lot free of the lien until the lien is satisfied by payment of the assessments secured by the lien. The Association may obtain payment of past due assessments by foreclosure of the lien (resulting in a forced sale of the Lot) or by suing the Lot Owner. Interest will be imposed on any late payment. Sums assessed by the Executive Board against any Lot Owner will bear interest at the rate of 12% per annum, or such other rate as may be determined by the Executive Board, from the tenth (10<sup>th</sup>) day following the due date of any such assessment. If any assessments are past due for more than sixty (60) days, the Executive Board may accelerate all of the assessment payments due from such Lot Owner for that fiscal year of the Association, and the total amount assessed against the Lot Owner for that fiscal year but not yet paid shall become immediately due and payable.

THE SPECIAL DECLARANT HAS NOT ACCEPTED ANY OBLIGATIONS OF THE FORMER DECLARANT (OR ITS PREDECESSORS) UNDER THE DECLARATION WITH RESPECT TO THE OPERATIONS, FINANCIAL TRANSACTIONS, BUDGETING ASSESSMENTS FOR COMMON EXPENSES, EXPENDITURES ON BEHALF OF THE ASSOCIATION AND ALL OTHER COMPONENTS OF MANAGING THE ASSOCIATION DURING THE PERIOD OF THE FORMER DECLARANT'S (OR ITS PREDECESSOR'S) CONTROL.

THE ASSOCIATION (AND THE SPECIAL DECLARANT) IS RESPONSIBLE FOR MANAGEMENT OF THE ASSOCIATION, THE BUDGET OF THE ASSOCIATION, ASSOCIATION'S FUNDS AND/OR THE MAINTENANCE, REPAIR AND/OR REPLACEMENT OF ANY COMMON FACILITIES.

#### ARTICLE XXI

##### PRESENT CONDITION OF STRUCTURAL COMPONENTS AND UTILITY INSTALLATIONS OF PLANNED COMMUNITY PROPERTY

The useful life (based solely upon manufacturer's representations and reasonable exceptions) and estimated costs of replacing major items (based upon 2014 costs) are as follows:

<u>COMPONENT OR UTILITY INSTALLATION</u>	<u>USEFUL LIFE</u>	<u>REPLACEMENT COST</u>
Asphalt Paving and Curbing	To be dedicated	\$ 230,000
Storm Water Management	To be dedicated	\$ 125,000

**NOTE:** THE ABOVE ESTIMATES OF USEFUL LIFE AND REPLACEMENT COSTS ARE REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THE UNIFORM PLANNED COMMUNITY ACT, AND ARE ESTIMATES ONLY AND ASSUME NORMAL MAINTENANCE OF SUCH COMPONENTS. EXCEPT AS NOTED WITHIN THE BUDGET, NO RESERVES ARE INCLUDED IN THE BUDGET FOR THESE COMPONENTS AND/OR UTILITY INSTALLATIONS.

The roads, sidewalks in front of the Open Space areas shown on the Plan and major utility installations in the Planned Community, including stormwater facilities have been or will be constructed using new materials. The Former Declarant intends that all roads and stormwater facilities will be dedicated to Marshall Township, and upon their acceptance, the Township shall be responsible for their maintenance and repair. All major utility lines will be dedicated to the appropriate utility providers, which will be responsible for the maintenance and repair of such utility lines. The Former Declarant estimates the initial total construction costs of the infrastructure within the Planned Community to be in approximately \$1.2 million.

## **ARTICLE XXII ADDITIONAL DISCLOSURES**

### Fees Due From Purchasers at Closing

At the closing of each Lot, the Purchaser will be required to provide, in addition to payment for the Lot purchased, sufficient funds to pay for one-half (1/2) of the real estate transfer tax stamps; a pro-rata share of property taxes; title insurance, if any; settlement and recording fees; and any charges required by the Purchaser's lender.

Additionally, at the closing of each Lot, the Purchaser will be required to pay to the Association, a "Lot Assessment Fee" in the amount of Four Hundred (\$400) dollars, to be used by the Association as it deems necessary to cover the costs incurred by the Association with respect to such unoccupied Lot until such time as occupied and subject to regular assessments.

### Violations

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

## Hazardous Conditions

The Special Declarant has no knowledge of any of the following:

- a. Hazardous conditions, including contamination affecting the Planned Community site by hazardous substances, hazardous wastes, or the like, or the existence of underground storage tanks for petroleum products or other hazardous substances.
- b. Any investigation conducted to determine the presence of any hazardous conditions on or affecting the Planned Community site.
- c. Any finding or action recommended to be taken in the report of any such investigation, or by any governmental body, agency or authority, in order to correct any hazardous conditions, and any action taken pursuant to those recommendations.
- d. Information concerning environmental conditions affecting the Planned Community may be obtained from the regional office of the Department of the Environmental Resources and the United States Environmental Protection Agency at the following addresses and phone numbers:

**Pennsylvania Department of  
Environmental Protection**  
400 Waterfront Drive  
Pittsburgh, PA 15222  
(412) 442-4000

**United States Environmental  
Protection Agency**  
Raymond George  
State Liaison Office  
U.S – EPA – Region 3  
303 Methodist Building  
11th and Chapline Street  
Wheeling, WV 26003  
(304) 234-0234



## ARTICLE XXIII

### UNUSUAL AND MATERIAL CIRCUMSTANCES

To the best of the Special Declarant's knowledge and information there are no unusual circumstances, features, or characteristics affecting the Planned Community or the Lots.

Notwithstanding the above, the Special Declarant recognizes that the decision to purchase a new home is a very personal decision and many factors may influence a prospective buyer's decision to live in a particular community. The Special Declarant cannot list all features of the Community that may be material to an individual buyer's purchase decision, but the Special Declarant brings the following matters to the buyer's attention.

The Property is located in an area of the state where Marcellus shale drilling and/or other gas shale exploration and drilling activity may be occurring presently or in the future. In Pennsylvania, ownership and the right to use the subsurface of property, including ownership and rights to extract coal, gas, oil and other minerals, is not always transferred with the right to use the surface of the property. The title to the surface of the Property may be conveyed to the Purchaser without any ownership rights to coal, gas, oil and other minerals. Such subsurface rights may be vested in third parties and such third parties may also have rights to use the surface of the Property to test for, explore, drill and/or otherwise remove the coal, gas, oil and other minerals. In some instances, the coal, gas, oil and other minerals can be removed even if the surface is not accessed. Pennsylvania law provides that a gas or oil well cannot be located within 300 feet of an existing building. The Special Declarant does not make any representations as to the Purchaser's ownership of subsurface rights.

Notwithstanding the foregoing, the deed from Seller into Purchaser shall include the following clause:

**EXCEPTING AND RESERVING** therefrom and thereout, all gas, methane, oil, and/or byproducts thereof, within and underlying the land (including all strata) together with necessary and reasonable rights to develop, extract and market same, providing that such development, extraction and marketing shall not disturb or interfere with Grantee's surface rights.

The Special Declarant does not make any representations regarding the maintenance of current views or the uses that may be made by off-site third party landowners located in the area.