

**RESOLUTION NO. 2010 - 05**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARBORS HOMEOWNERS  
ASSOCIATION AGREEING TO INDEMNIFY LANDSCAPE CONTRACTORS FOR  
CERTAIN TAX LIABILITIES INCURRED WHILE WORKING IN THE ARBORS

WHEREAS, the Arbors Homeowners Association (“AHA”) employs selected contractors to provide certain services within the Arbors, a planned unit development situate on Duncan Avenue in Hampton Township; and

WHEREAS, one of the services which the AHA requires is cutting of grass in common areas; and

WHEREAS, the Board of Directors of the AHA has determined that approximately 70% of the grass that is cut qualifies as “field mowing” which is not taxable under the Commonwealth of Pennsylvania Department of Revenue regulations while the remaining 30% is “lawn cutting” which is taxable; and

WHEREAS, this determination has been made solely by the Board of Directors of the AHA; and

WHEREAS, in the event that the PA Department of Revenue determines that the areas designated by the Board as fields do not meet the requirements in the regulations for fields and that the cutting thereof is taxable, the Board wishes to indemnify any contractor for any tax liability that is incurred relative thereto.

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED as follows:

1. The Board has determined that approximately 70% of the common areas where grass is cut qualify as fields such that no sales tax is due for mowing services provided in those areas.
2. In the event that the PA Department of Revenue determines that any portion of such areas do not qualify as fields such that taxes are owed on grass cutting services provided in those areas, the Board agrees that it will reimburse the contractor for any delinquent taxes, penalties and interest that the contractor incurs by virtue of not having collected taxes from the AHA when the work was originally performed and invoiced.

IN WITNESS WHEREOF, WE, the Board of Directors of the Arbors Homeowners Association, have adopted the foregoing Resolution at the regular meeting of the Board of Directors convened this 15<sup>th</sup> day of November, 2010.

ARBORS HOMEOWNERS ASSOCIATION

/s/ Kevin J. Fay \_\_\_\_\_  
President

ATTEST

/s/ Mary Lou Zemaitis \_\_\_\_\_  
Secretary