

Every Prospective Buyer Should Read This
Document Carefully for His or Her Own Protection

PUBLIC OFFERING STATEMENT

FOR

**SUMMERFIELD
A PLANNED COMMUNITY**

NAME OF PLANNED COMMUNITY:

SUMMERFIELD

LOCATION OF COMMUNITY

**PEQUEA TOWNSHIP
LANCASTER COUNTY, PENNSYLVANIA**

NAME AND ADDRESS OF DECLARANT:

Nathan & Lynare Pipitone
3 WHIPPORWILL DRIVE
LANCASTER, PA 17603
With a partial assignment of
Declarant's Rights to:
Millfield Construction Co.

EFFECTIVE DATE OF PUBLIC OFFERING
STATEMENT:

EVERY PROSPECTIVE BUYER OF A UNIT WITHIN SUMMERFIELD IS HEREBY NOTIFIED
AS FOLLOWS:

(1) A PROSPECTIVE BUYER IS ENTITLED TO RECEIVE A COPY
OF THIS PUBLIC OFFERING STATEMENT PRIOR TO ENTERING INTO AN AGREEMENT
OF SALE OR, IN THE ALTERNATIVE, IF A BUYER HAS ENTERED INTO AN AGREEMENT
OF SALE PRIOR TO RECEIVING A PUBLIC OFFERING STATEMENT (OR AN AMENDMENT
TO THE PUBLIC OFFERING STATEMENT WHICH MATERIALLY ADVERSELY AFFECTS
THE RIGHTS OR OBLIGATIONS, OR BOTH, OF THE BUYER), THEN THE BUYER, BEFORE
CONVEYANCE, MAY CANCEL THE CONTRACT OF SALE WITHIN SEVEN (7) DAYS
AFTER RECEIVING THE PUBLIC OFFERING STATEMENT OR ANY SUCH AMENDMENT
THERETO.

(ii) IF A DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS THERETO TO A BUYER BEFORE CONVEYING A UNIT, THE BUYER MAY RECOVER FROM THE DECLARANT DAMAGES AS PROVIDED IN SECTION 5406(c) OF THE PENNSYLVANIA UNIFORM PLANNED COMMUNITY ACT ("ACT") (RELATING TO BUYER'S RIGHT TO CANCEL).

(iii) IF A DECLARANT FAILS TO PROVIDE A BUYER TO WHOM A UNIT IS CONVEYED WITH A PUBLIC OFFERING STATEMENT AND ALL AMENDMENTS THERETO AS REQUIRED BY SECTION 5406(a) OF THE ACT, THE BUYER, IN ADDITION TO OTHER RELIEF, IS ENTITLED TO RECEIVE FROM THE DECLARANT AN AMOUNT EQUAL TO FIVE (5%) PERCENT OF THE SALE PRICE OF THE UNIT UP TO A MAXIMUM OF TWO THOUSAND (\$2,000.00) 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 BUYER TO RECOVER ONLY ACTUAL DAMAGES, IF ANY.

(iv) IF A BUYER RECEIVES THE PUBLIC OFFERING STATEMENT BEFORE SIGNING A CONTRACT, THE BUYER CANNOT CANCEL THE CONTRACT UNLESS THERE IS AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT WOULD HAVE A MATERIAL AND ADVERSE AFFECT ON THE RIGHTS OR OBLIGATIONS OF THAT BUYER.

INTRODUCTION

This Public Offering Statement consists of two separate parts. This first part, the narrative, summarizes the significant features of Summerfield and presents information required under the Act to be given to Prospective Buyers. The other part, consisting of Appendices, includes the Declaration of Covenants, Conditions and Restrictions, the proposed By-Laws for the Summerfield Association, the proposed Rules and Regulations of the Association and the projected budget for the first year of operation of the Association.

This narrative is intended to provide only an introduction to the planned community and not a complete or detailed discussion. For that reasons, the Appendices should be reviewed in depth, and if there should be any inconsistency between information in this part of the Public Offering Statement and information contained in the Appendices, the Appendices will govern.

1. Name and Principal Address of Declarant and of the Planned Community.

The names and principal addresses of the Declarant and partial assignee of Declarant's rights are set forth on the first page of this Public Offering Statement, as is the location of the Planned Community. Generally, the Declarant, Nathan & Lynare Pipitone, has obtained all approvals for development of the subject property for a Neighborhood Design Option community to be known as Summerfield, to consist of one hundred forty eight dwellings (Units) with fifty four buildings. D. H. Funk & Sons, Inc. will be responsible for construction of the site improvements to serve the community. Millfield Construction Company (Builder) will construct the Units, and be responsible for conveyance of the finished Unit to each prospective homeowner.

2. General Description of the Planned Community.

Summerfield is a proposed residential community to consist of a total of one hundred forty eight(148) separate lots, with 148 single-family attached (townhouse) dwellings to be constructed on each Lot. The term "Lot" is also synonymous with the term "Unit". The 148 Units will be located within fifty four buildings. All townhouse buildings will contain a maximum of three townhouse Units. Boundaries of Units and Limited Common Elements will be shown on As Built plans that will be recorded by Declarant as Units are constructed.

Each Unit will have direct access from the driveway to an adjacent public /private road, in accordance with the road system approved as part of the plats and plans. The internal public/private roads will extend to Penn Grant Road as a main entrance. All roads will be private, owned and maintained by Homeowners Association. However they may be offered and accepted for public dedication to Pequea Township, in part or as a whole.

In addition to the "Limited Common Elements", as more fully described below, the Community will be comprised of common open space areas (comprising the entire Community, with the exception of the individual Units) which are referred to as "Common Facilities"

in the Declaration. The open space areas will include, in addition to the storm water management facilities, pathways, alleys, street lights, street signs, islands, streets, sidewalks and landscaped areas, as set forth on the plats and plans. The "Common Facilities" of the community, to be owned and maintained by the Summerfield Association ("Association"), will include, in addition to the common open space areas as above referenced, all common utility lines and facilities, all landscaped areas, all streets, roads and alleys within Summerfield (some of which will be "Limited Common Facilities") as shown on the plats and plans. Membership in the Association is mandatory for all owners of Units within the Community.

The Community will be served with public water supply and public sewage treatment services. The Lancaster City Water will provide public water supply to the Community. The Suburban Lancaster Sewer Authority will provide sewage collection treatment and disposal services to the Community. However, the water and sewer mains and all related facilities within the Development will be owned by the Association.

The storm water management facilities will consist primarily of twelve infiltration trenches, and a detention basin as shown on the plats and plans of the Community, the facilities are located within the common open space areas of the Community and, therefore, are classified as "Common Facilities," to be owned and maintained by the Association. The basins include infiltration features, so that a portion of the storm water runoff which is detained by them will be recharged into the ground.

Each of the "Lots" within Summerfield will coincide with (i) the outside dimensions of the foundation of the Unit to be erected on that Lot, and (ii) the center of each party wall separating one Unit from another. As so configured, the Lots within Summerfield shall be what are commonly called "building footprint lots," and each Unit shall also have the benefit of adjacent "Limited Common Areas" as defined in the Declaration appended hereto as Exhibit "B". The "Limited Common Areas" are areas within the common open space - i.e., beyond the boundaries of the building footprint - where each owner is granted an easement of exclusive use appurtenant to his ownership of the Unit adjacent thereto.

The Limited Common Areas appurtenant to each Unit include (i) the entire front yard area between the front facade of the Unit and the curb line of the adjacent roadway, (ii) the individual driveway leading to the Unit, (iii) a rear yard, deck and/or partial patio area extending up to (but not further than) 11 feet for Villa Units, or the edge of the alley pavement for other Units, or a property line or other limiting feature, such as a walking trail or storm water management easement (whichever is less) in depth beyond the rear facade of the Unit, (iv) sanitary sewer, water and other utility service lines serving an individual Unit to the extent located outside the title lines of the Unit that they serve, and (v) any individual flower beds or landscape items approved by the Executive Board of the Association and located outside the designated Limited Common Areas. Where two Units share a common driveway, each Owner shall have the right to travel upon (but not to park vehicles or otherwise encroach within) the portion of the driveway located within the front yard area of the other Unit.

The Association will have the responsibility for maintenance and repair of all the "Common Elements" of the community, including the lawn areas and landscape materials within the Community and the storm water management facilities serving the Community. The responsibility for maintenance of each Unit, and the "Limited Common Elements" however, remains with the Owner of each Unit.

Where the Association performs maintenance services on Limited Common Elements, such as the individual driveways, the Association is authorized and required to assess the costs back to the individual unit owner or owners benefiting from the services.

In order to maintain a harmonious appearance within the Community, however, each Owner who would propose to make modifications to his unit (including alteration of paint colors, landscaping, etc.) is obligated to seek and obtain approval for such change from the Executive Board of the Association or an Architectural Control Committee appointed by the Executive Board.

The Declarant has commenced the construction of the site improvements and infrastructure necessary to serve the Community, including the roadways, the storm water management facilities, and the utility lines. No recreational improvements are proposed to be constructed except for the and sidewalks. Builder has commenced construction of homes on the Property, which may be used for model or sample homes. It is Declarant's intention to complete the construction of all new homes and amenities within the Community within a period of seventy two (72) months from the effective date of this Public Offering Statement, although there are no guarantees that this estimated time schedule can be accomplished.

3. Description of the Type and Character of Units Offered.

All Lots will be improved by the construction thereon of a single-family attached (townhouse villa), Unit. Each Unit will be in accordance with the plans which are offered by the Builder as part of the sales and marketing materials. The Units will be clustered within fifty four (54) buildings. All units will have not less than a one car garage. Some units at the Builders discretion may have a two car garage. Vehicles may be parked within the garage spaces and within the driveways serving each unit. Garage areas may not be converted to living space, so that the parking areas within the Community (garage spaces and driveway areas) will not be eroded, to the detriment of the Community, by elimination of garage parking spaces.

Each new Unit will be completed by the Builder prior to conveyance to a Buyer, unless special arrangements to the contrary are made pursuant to the sales contract. The site improvements and infrastructure necessary to serve each new Unit will be in place prior to the occupancy of the Unit. (Certain aspects of the site improvements, such as the final "wearing course" to be placed upon the roads, will not be completed at that time, but the cost thereof will be in escrow with the municipality.)

4. Number of Units.

Summerfield is planned to have a total of 148 Units. No additional Units may be included in the Planned Community. The Declarant does not intend to rent or market blocks of Units to investors.

5. Options Reserved to Withdraw Withdrawable Real Estate.

The Declarant has not reserved any options to withdraw withdrawable real estate from the Planned Community.

6. Brief Narrative Descriptions of the Significant Features of the Declaration, the Bylaws, the Rules and Regulations, the Agreement of Sale, and Contracts and Leases to be Signed by

Buyers Prior to or at Closing and Other Contracts or Leases or Agreements That Will or May Be Subject to Cancellation by the Association.

A. Declaration of Covenants, Conditions and Restrictions ("Declaration"): A copy of the Declaration is appended to this Public Offering Statement as Appendix "A". The Declaration will be recorded in the Lancaster County Recorder of Deeds Office, and all of its terms and conditions will apply to all of the Units within Summerfield, and shall run with the title to each Unit. The Declaration contains the following articles:

- I. Definitions - defining all technical terms used in the Declaration, using where applicable the definitions of terms used in the Uniform Planned Community Act ("Act")
- II. Property subject to this Declaration; Name of the Community identifying and describing the real estate subject to the Declaration and establishing the name of the Community as Summerfield.
- III. Description of Units and Common Elements
- IV. Membership and Voting Rights in the Association; Period of Declarant Control -all owners are required to be Members of the Association, and each Member has an equal vote. The period of Declarant control coincides with the provisions in the Act
- V. Property Rights in the Common Facilities; providing easement rights over the Common Facilities for each Unit Owner, establishing that the Association will hold title to the Common Facilities, and specifying the limitations on the Owner/Member's easements to use to Common Facilities
- VI. Covenant for Maintenance Assessments; providing that each Unit Owner is responsible to pay assessments equally with all other Unit Owners for the maintenance of the Common Elements; providing for a resale certificate for each Owner at the time of the sale of a Unit; specifying purposes for assessments and the remedies of the Association in the event of non-payment of assessments
- VII. Restrictions on Common Facilities; limiting the uses of the Common Facilities to utilities, stormwater management, resource conservation, flood plain conservation, and active and passive

recreational uses, prohibiting subdivision of the Common Facilities, making provisions for landscape materials, prohibiting fences within the open space area, and providing for utility easements within the open space area

- VIII. Maintenance of Common Facilities and Controlled Stormwater Management Facilities; providing that the Declarant will maintain the Common Facilities and Controlled Facilities until such time as the initial common expense assessment is made, and that thereafter the Association shall be responsible for maintenance of the Common Facilities and Controlled Facilities
- IX. Effect of Non-Maintenance of Common Facilities and Controlled Facilities by Association; providing that Westtown Township "the Municipality") has the right, subject to certain notice and cure provisions, to step in and cure any failure by the Association to maintain the Common Elements, and thereafter to assess the costs thereof equally among the Unit Owners
- X. General Restrictions; providing for various restrictions on the use of individual Units and Limited Common Areas, for the benefit of the Community as a whole
- XI. Sanitary Sewage Disposal; specifying that only normal domestic waste may be discharged into the sewage disposal system, and prohibiting specifically certain damaging substances from being discharged into the sewage disposal system
- XII. Leases; requiring all owners who wish to lease their units to use lease forms approved by the Association, requiring such Owners to provide copies of all leases to the Association, specifying a minimum initial term of one year, and setting forth other restrictions on the leasing of individual units
- XIII. Party Walls; specifying responsibilities for the use, maintenance and repair of party walls
- XIV. Exterior Maintenance; Assessments Therefore ;providing the Association with the responsibility for remedying, at the cost of the individual Unit owner(s), deficiencies in the exterior maintenance of Units
- XV. Architectural Control; setting forth detailed procedures and standards for the review of any proposed exterior alterations to a Unit

- XVI. Due Process Procedures; providing procedures in the event of any grievance or dispute between an owner and the Association with respect to compliance with the terms of the Declaration
- XVII. Retention of Special Declarant Rights; providing for the Declarant to maintain certain rights specified in the Act
- XVIII. General Provisions; providing for the perpetual duration of the Declaration, subject to amendments thereto, to be approved by two-third of the total voting powers of the Association; providing for certain exceptions to the general amendment process; disclosing certain easements and restrictions on the property; providing for indemnification of officers, the executive board and committee members; providing for enforcement of terms of the Declaration

B. Bylaws: The Bylaws set forth the procedures by which the Association and its Executive Board are governed. The Bylaws are appended hereto as Exhibit "B" and include the following articles:

1. Name
2. Definitions
3. Purposes and Powers
4. Business Offices
5. Membership, Voting Rights and Meetings
6. Executive Board
7. Officers
8. Assessments for Common Expenses
9. Contracts, Checks, Deposits and Funds
10. Books and Records
11. Fiscal Year
12. Seal
13. Waiver of Notice

14. Indemnification
15. Delegation of Powers of Board and Officers
16. Committees
17. Amendments to By-Laws

C. Rules and Regulations: At the present time, the Declarant has not promulgated proposed rules and regulations other than the rules and regulations already set forth in the Declaration and Bylaws.

D. Agreement of Sale: The Agreement of Sale is intended to address the normal issues and concerns inherent in the proposed sale of a newly constructed home, commonly referred to as "new construction". Every Prospective Buyer is encouraged to review thoroughly all of the terms and conditions set forth in the Agreement of Sale form

E. Contracts and Leases to be Signed by Buyer Prior to or at Closing: There are no additional contracts or leases to be signed by Buyers prior to or at Closing, other than the Agreement of Sale and its attachments.

F. Contracts or Leases or Agreements of a Material Nature to the Planned Community that Will or May be Subject to Cancellation by the Association: Declarant has not entered into a Management Contract with a professional community management company. If in the future the Declarant contracts for professional management, a copy of the Contract will be appended hereto as Appendix "D".

7. Balance Sheet and Budget Information.

Appended hereto as Appendix "E" is a copy of the currently proposed budget of the Association, reflecting estimated costs and revenues for one year after the date of the first conveyance of a Unit to a Buyer. It is anticipated that the total assessment for each Unit will be approximately \$ 60.00,(Sixty Dollars) per month, in accordance with the proposed budget. This assessment will include liability insurance on the Common Elements, maintenance of the private roads, sewer lines, water lines, landscaped areas and lawns, reserve for storm water management facilities maintenance, street light electric expenses and fees for management, legal and accounting services.

8. Services Not Reflected in the Budget and/or Personal Property Not Owned by the Association.

The Declarant does not provide any services to the Association that are not already reflected in the budget appended hereto as Appendix "E". Further, the Declarant has not provided any personal property usable by the Association in the operation and enjoyment of the Common Elements which is or will be required in connection with the operation and enjoyment of the Common Elements after such personal property is no longer provided by Declarant.

9. Initial or Special Fees Due at Closing.

All Buyers (new or resale) are required under the Declaration to pay the following initial

contributions at the time of closing on their purchase of a Unit from the Declarant or a successor Declarant, or a previous Buyer:

- a. This assessment is currently set at \$300.00;

The Declaration also provides that the Association may charge a reasonable fee upon a Unit owner selling his Unit, in order to defray the cost of preparation of the resale certificate required under Section 5.07 of the Act.

The purposes of the initial contributions are to provide the Association with reserves for operating shortfalls, and initial expenses,

10. Liens, Defects or Encumbrances on or Affecting the Title to the Planned Community.

Appended hereto as Appendix "F" is a copy of "Schedule B-II" of the Title Report for the Property.

11. Financing for Buyers Offered or Arranged by the Declarant.

Declarant has not offered to Prospective Buyers or made any other arrangements for the financing by Buyers of the Purchase Price of their Unit. All Buyers are responsible for obtaining such financing as they deem necessary or desirable, upon such terms and conditions as shall be negotiated between the Buyer and the financing institution.

12. Terms and Significant Limitations on Warranties Provided by Declarant.

Appended hereto as Appendix "G" is a copy of the Warranty Provisions provided by the Builder, for each home to be constructed in the Community.

13. Special Disclosure Statements.

The first page of this Public Offering Statement contains, in bold face print, certain disclosures required to be made in such form under the provisions of the Act.

14. Judgments and/or Pending Suits Against the Association.

There are no judgments against the Association, nor are there any pending suits to which the Association is a party. To the best of Declarant's actual knowledge, there are no pending suits which would be material to the Community.

15. Escrow of Deposits.

Any and all deposits made by Buyers in connection with the purchase of a Unit will be held in an escrow account in accordance with the provisions of Section 5408 (relating to escrow of deposits) of the Act, and will be returned to the Buyer if the Buyer cancels the contract pursuant to Section 5406 of the Act (as explained on the first page of this Public Offering Statement). Pre-payments for construction extras and upgrades shall be made directly to the Builder and are not refundable.

16. Restraints on Alienation.

There are no restraints on alienation of any of the Lots or Units within the Planned Community. Each Owner is unrestrained in his or her decision as to when and to whom to sell or otherwise transfer ownership of his or her Unit.

17. Insurance Coverage Provided or Intended to be Provided.

The Association will not provide insurance coverage on any of the Units,. It is the responsibility of each individual Buyer to provide for his or her own "homeowners insurance" or other insurance policies relating to the Units, and improvements thereto. It is intended that the Association will carry an insurance policy or policies, to be paid for as a common expense, as follows:

- a. general liability coverage as to the Common Elements (but not as to individual Units, for which each Owner must carry separate individual insurance policy);
- b. errors and omissions coverage for the Board of Directors and officers.

18. Fees or Charges for Use of the Common Elements.

There are no anticipated fees or charges, other than the common expenses assessments, to be paid by Unit Owners for the use of the Common Elements and other facilities within the Planned Community. Charges for domestic water supply and wastewater (sewage) collection, treatment and disposal will be rendered by the Lancaster City Water Authority (as to water) and the Lancaster Suburban Sewer Authority (as to sewer).

19. Financial Arrangements for Completion of all Improvements Labeled "MUST BE BUILT".

Declarant has entered into certain Financial Security Agreements with the Township dated July 20,2011) (entitled "Subdivision and Land Development Agreement" and "Memorandum of Understanding & Addendum Escrow Agreement") to assure that all of the site

improvements labeled "MUST BE BUILT" on the plat appended to the Declaration will be completed. These site improvements include road construction, utility installation, installation of storm water management facilities, and required landscaping.

20. Unusual and Material Circumstances.

There are no unusual or material circumstances pertaining to the Community which are not otherwise discussed in this Public Offering Statement.

21. This is not a leasehold Planned Community.

22. Present Condition of all Structural Components and Major Utility Installations.

As of the date of the Public Offering Statement, all of the site improvements to the Property are either new or in the process of being constructed. These improvements included the utility installations to provide water, sewer, electrical service, gas service (if applicable), telephone service, and cable television service to each Unit within the Community (collectively "Utility Facilities"). All of the Utility Facilities except for water and sewer, once installed, become the property of the utility provider, which in turn has the responsibility to maintain said facilities. Consequently, the Association will not be responsible for maintaining and/or replacing such Utility Facilities. Each Unit Owner, however, with respect to the service lines located within the borders of his or her own Unit (or Limited Common Area), may be responsible for certain maintenance and/or repair and/or replacement costs of Utility Facilities. The useful life of each facility is not readily ascertainable.

23. Allocation of Votes.

Each Unit within the Community is allocated one (1) vote. There are no cumulative or class voting provisions contained in the Declaration.

24. Circumstances Under Which the Association may Become Part of a Master Association.

None.

25. Governmental Approvals and Permits.

Prior to the commencement of construction, Declarant has obtained all necessary governmental approvals and permits for the construction of the Planned Community and for the use and occupancy of the individual Units to be constructed. The following permits and/or approvals have been obtained:

a. Zoning approval (no expiration date).

- b. Subdivision and land development approval (no expiration date, once the site improvements are constructed).
- c. NPDES permit to allow discharge of storm water (no expiration date, once the site improvements are constructed).

- d. Approval from any and all Governmental Agency's required.

26. Notices of Violations of Governmental Requirements.

There are no outstanding and uncured notices of violations of governmental requirements applicable to the Community.

27. Environmental Conditions.

Declarant has no knowledge of the existence of any 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. No governmental body, agency or authority has taken any action to require Declarant or any other person to correct any environmental conditions on the Property. The address and phone number of the regional offices of the Pennsylvania Department of Environmental Protection and the United States Environmental Protection Agency are as follows:

Commonwealth of Pennsylvania
Department of Environmental Protection
400 Market Street
Harrisburg, PA 17101
(717) 783-2300

United States Environmental Protection Agency
1650 Arch St # 2
Philadelphia, PA 19103-2004
(800) 438-2474

This agency maintains information concerning environmental conditions of the properties within its jurisdiction.

28. Declarant's Right to Designate any Portion of the Community as a Common Facility.

Declarant has designated the Common Facilities for the Community in the Declaration.

Except for the right to modify the boundary lines between Common Facilities and individual Lots, the Declarant has not retained any rights or reservations to designate additional portions of the Community as Common Facilities.

29. Facilities and Amenities Which the Declarant is Obligated to Complete.

The Declarant is obligated to complete all of the essential site improvements and infrastructure to service the Community, including roads, storm drainage and management facilities, and utility installations. The roads (except for installation of the "wearing" or "top" coat of blacktop) and utility installations shall be completed on or before July 2015. The cost of completing the subdivision infrastructure has been set aside in a construction loan from Metro Bank and Declarant has provided a tri-party agreement as security to the Township for completion of the subdivision infrastructure hereinabove described.

The roads will be Private. However Summerfield Drive may be dedicated to the Township, upon approval by the Township and notice thereof. The Common Elements, including the open space areas, pathways and the storm water management facilities, will be owned by the Association. The Association shall be responsible for the maintenance, repair, improvement, administration and regulation of the Common Elements. The Unit Owners shall be responsible for their individual properties.

APPENDICES TO PUBLIC OFFERING STATEMENT

SUMMERFIELD, A PLANNED COMMUNITY

"A" Declaration of Covenants, Restrictions and Easements

"B" Bylaws

"C" Agreement of Sale Form

"D" Management Contract (if applicable)

"E" Current Budget

"F" Title Report, Schedule B- II

"G" Warranty Provisions