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APR 10 2002

NAL# 29185

# DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS

THIS DECLARATION is made this 4th day of April, 2002, by **Berks Construction Company Inc.**, a Pennsylvania corporation, who is the equitable owner of the residential real estate described herein and **Millport Developers, LP.**, a Pennsylvania limited partnership (hereinafter the "Owner"),who is the legal title holder to the real property described herein and joins in this Declaration for the sole purpose of agreeing to submit the legal title to the real property to the covenants, easements and restrictions contained herein (collectively the "Declarant").

## RECITALS

Owner is the legal owner of that certain tract of land located in West Lampeter Township, Lancaster County, Pennsylvania, legally described in Exhibit "A," attached hereto and made a part hereof by reference.

Declarant is developing a residential and commercial development known as The Crossings at Rocky Springs (hereinafter the "Development"). The residential portion of the Development is proposed to be developed in the condominium form of ownership, pursuant to the requirements of the Uniform Condominium Act, 68 Pa. C.S.A. § 3101 et. seq. The commercial portion of the Development is proposed to be developed as a planned community, pursuant to the requirements of the Uniform Planned Community Act, 68 Pa. C.S.A. § 5101 et. seq.

Declarant desires to establish certain covenants, easements and restrictions to facilitate the development of the Property now and in the future as depicted on the Plan as the same may be amended from time to time.

NOW, THEREFORE, intending to be legally bound, Declarant hereby declares and imposes the following easements, covenants, restrictions, terms and conditions of these Covenants as follows:

## ARTICLE I
## DEFINITIONS

The following words and terms when used in these Covenants (unless the context shall clearly indicate otherwise) shall have the following meanings:

"**Commercial Association**" shall mean and refer to The Commercial Lots at the Crossings at Rocky Springs Community Association, Inc. a Pennsylvania Non-Profit Corporation, its successors and assigns.

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"**Commercial Declaration**" shall mean the Declaration of The Village Square of the Crossings at Rocky Springs, a Planned Community, which is recorded with the Recorder's Office concurrently herewith.

"**Commercial Lot**" shall mean any improved or unimproved parcel of land designated as Lot 3 through Lot 7 on page 7 of the Plan.

"**Commercial Lot Owner**" shall mean the owner (but shall not include the Declarant or Owner except with respect to properties reacquired by the Declarant or Owner after the Declarant's conveyance thereof) as shown by the real estate records of the Recorder's Office, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Commercial Lot situated upon the Property, but shall not mean or refer to the mortgagee, its successors or assigns, unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Commercial Lot Owner" mean or refer to any lessee or tenant of a Commercial Lot Owner.

"**Common Elements**" shall mean the portions or interests in the Property held by the Residential or Commercial Associations, as further defined in the Residential and Commercial Declarations, collectively or individually.

"**Covenants**" shall mean and refer to this "Declaration of Covenants, Easements and Restrictions" as amended.

"**Dwelling**" shall mean a single family dwelling unit constructed or to be constructed on a Residential Lot.

"**Lot**" or "**Lots**" shall mean any Commercial Lot or Residential Lot, generally or collectively.

"**Lot Owners**" shall mean the Commercial Lot Owners, Residential Lot Owners and the Remaining Lands Owner, collectively.

"**Offensive or Noxious**" activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior or activity which is inconsistent with both the pleasurable use of the Development, the residents and their reasonable expectations of enjoying their property and the available amenities and natural surroundings free of boorish, rude, excessively noisy, crude, tasteless behavior, flashing lights, racing vehicles, offensive or tasteless displays of public sexuality, radio, hi-fi or electronic music distractions, etc., or other similar behavior curtailing the pleasure of use of the facilities of the Property.



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"**Pertinent Laws**" shall mean and refer to all statutes, ordinances, regulations, and other laws pertinent to the ownership, sale, use, development and construction of the Development or of any Lot, together with any lawful waiver or variance of any of these, as codified or promulgated by the Commonwealth of Pennsylvania, the County of Lancaster, or the Township of West Lampeter or the Government of the United States of America, and governmental authorities having jurisdiction over the Development,

"**Plan**" shall mean the plan prepared by RGS Associates dated February 8, 2001 and recorded in the Recorder's Office, in Plan Book J-211, Page 138.

"**Property**" shall mean all that tract of land described on Exhibit "A" attached hereto and included herein by reference.

"**Recorder's Office**" shall mean and refer to the Recorder of Deeds in and for the Lancaster County, Commonwealth of Pennsylvania, and the successors or assigns of that office.

"**Remaining Lands**" shall mean all of that tract of land described as "Remaining Lands" on pages 3 through 6 on the Plan.

"**Residential Association**" shall mean and refer to The Crossings at Rocky Springs Condominium Association, Inc. a Pennsylvania Non-Profit Corporation, its successors and assigns.

"**Residential Declaration**" shall mean the Declaration of Condominium of The Crossings at Rocky Springs, a Condominium, which will be recorded with the Recorder's Office concurrently herewith.

"**Residential Lot**" shall mean any condominium unit, as defined by the Residential Declaration, located at any time on Lot 1 or the Remaining Lands, as depicted on pages 3 through 6 of the Plan.

"**Residential Lot Owner**" shall mean the owner (but shall not include the Declarant or Owner except with respect to properties reacquired by the Declarant or Owner after Declarant's conveyance thereof) as shown by the real estate records of the Recorder's Office.

"**Review Board**" shall mean the Architectural Review Board established pursuant to Article V of these Covenants.



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"**Shall**" indicates a mandatory requirement, condition, or obligation; in contrast, the term "may" indicates a permissive action.

"**Storm Water Management Facilities**" shall mean all of the land areas within the Development and improvements thereto devoted to the purposes of detaining, retaining, or controlling the volume or rate or the direction of storm water, including but not limited to berms, cisterns, detention basins, diversion terraces, drainage easements, energy dissipaters, infiltration structures, retaining walls, retention basins, sedimentation basins, seepage pits, seepage drenches, storm sewers, and swales.

"**Structure**" shall mean any man-made object having an ascertainable stationary location on or in land or water, whether or not affixed to the land, any construction, object, projection or piece of work artificially built up or composed of parts joined together in some definite manner, which is erected or shaped on the Property, including but not limited to buildings, fences, tennis courts, swimming pools, pavilions, tents, gazebos, garages, storage buildings, signs, abutments, ornamental projections, exterior fixtures, shaped earth as a masonry Structure, lights, clotheslines, playgrounds, sandboxes or antennas.

"**Township**" shall mean the Township West Lampeter.

"**Use of Land**" or "**Use**" shall mean the purpose to which the Development or any Lot is dedicated.

## ARTICLE II
## GRANT OF EASEMENTS

Section 1. Grant of Easement and Right-of-Way for Access to the Commercial Lots Across a Portion of the Lot 1 Access Drive. Declarant and Owner hereby reserve unto themselves and declare and grant to the Lot Owners an easement upon and across the portions of the Development depicted as Duncan Street, Kennedy Street, York Court, Camden Court on page 10 of the Plan, as well as any other similar improved roadway constructed on or over Lot 1 or the Remaining Lands (the "Lot 1 Drive") for pedestrians and all forms of vehicular transportation such as is necessary to provide sufficient and adequate access for the full and complete development and use of the Commercial Lots in accordance with all Pertinent Laws (the "Lot One Access Drive Easement"). The Lot One Access Drive Easement shall provide for a right-of-way together with free ingress, egress, and regress to and for the Commercial Lot Owners, their licensees and invitees.

Section 2. Grant of Easement and Right-of-Way for Access to Lot 1 and the Remaining Lands Across the Commercial Lots Access Drive. Declarant and Owner hereby reserve unto themselves and declare and grant to the Lot Owners an easement upon and across the access drives



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bordering any Commercial Lot, depicted as "Access Easement" on page 6 of the Plan, for pedestrians and all forms of vehicular transportation necessary to provide sufficient and adequate access for the full and complete development and use of Lot 1 and the Remaining Lands, in accordance with all Pertinent Laws (the "Commercial Lot Access Drive Easement"). The Commercial Lot Access Drive Easement shall provide for a right-of-way together with free ingress, egress, and regress to and for the Residential Lot Owners and Remaining Lands Owner.

Section 3. Mutual Grant of Utility Easements and Rights-of-Way.

A. Subdivision Plan Easements and Rights-of-Way. Declarant hereby reserves unto itself, and declares and grants to the Lot Owners for their respective benefit, the free and uninterrupted perpetual right, use, liberty and privilege of tying into, connecting with, using, maintaining, repairing and replacing to the extent necessary to permit development on each of the lots as depicted on the Plan, any utility facilities on or under any of the lots, including but not limited to (as noted on the Plan) the Drainage Easement, as described on page 7 of the Plan, the Sanitary Sewer Easement as described on page 8 of the Plan, the Water Line Easement, as depicted on page 9 of the Plan, and all other easements and rights-of-way to the extent depicted on the Plan and as described therein.

B. General Utility Easements and Rights-of-Way. In addition to the utility easements described in the preceding paragraph and elsewhere in this Declaration, Declarant hereby reserves, and each of the lots within the Property shall be, and are hereby, made subject to easements in favor of 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 Property. The easements created in this section shall include without limitation the right of Declarant, or the appropriate 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, telephone wires and equipment, television cable and facilities, electrical wires, conduits and equipment and ducts and vents over, under, through, along and on the Property. Notwithstanding the foregoing provisions of this section, any such easement through a lot shall be located, to the extent allowed by Pertinent Law, either (i) in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the lot by Declarant; or, (ii) so as not to materially interfere with the use or occupancy of the lot by its occupants. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, grade the soil, or to take any other similar action reasonably necessary to exercise the rights granted and declared in this Section. Any material disturbance to the Property caused by such utility installation shall be repaired and said grounds returned to their prior condition by Declarant.



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Section 4. Landscape Easements. The Commercial Association hereby agrees to maintain the portions of the Commercial Lots shown as "Landscape Easement" on page 9 of the Plan with such decorative amenities, both natural and manmade, as they may reasonably and prudently select, and as the Commercial Association may approve, pursuant to the terms of the Commercial Declaration and other documents for the Commercial Lots. Declarant and Owner hereby declare and reserve unto themselves an easement (the "Landscape Easement") to and over the Landscape Easement Areas, for the purpose of ensuring compliance with the provisions of this subsection.

Section 5. Grant of Easement for Right-of-Way and Use of Storm Water Management Facilities.

A. Declarant hereby declares and grants to the Lot Owners an easement to discharge storm water to the Storm Water Management Facilities as depicted on the Plan, which include those areas labeled as "Storm Sewer Easement" on page 9 of the Plan and "Drainage Easement" on page 7 of the Plan (collectively, the "Storm Water Easement") consistent with the Plan and the requirements and provisions of all Pertinent Laws. Included in this Storm Water Easement is the reasonable right of each Lot Owner to access on over and across the burdened Lot for the purpose of maintaining, repairing or replacing the Storm Water Management Facilities, however, no Lot Owner may build or erect any building or Structure in or under the real property subject to this Storm Water Easement. This Easement is intended as a burden upon those lots which contain the areas depicted as "Drainage Easement" or "Storm Sewer Easement" areas on the Plan, and shall touch upon and run with the land.

B. The Commercial Association shall have the responsibility for the maintenance and upkeep of any Storm Water Management Facilities located on any Commercial Lot. All maintenance shall be performed in accordance with all Pertinent Laws and other Township requirements. The costs of such maintenance shall be allocated in accordance with the Commercial Declaration, as applicable.

C. The Residential Association shall have the responsibility for the maintenance and upkeep of any Storm Water Management Facilities located on Lot 1 or the Remaining Lands. All maintenance shall be performed in accordance with all Pertinent Laws and other Township requirements. The costs of such maintenance shall be allocated in accordance with the Residential Declaration, as applicable.

D. This Easement is intended to benefit all Lot Owners and the Declarant, and notwithstanding any other provision in these Covenants, may be enforced at law or in equity as against any person or persons violating this Section. The Township shall have the right, but not the obligation, to inspect all Storm Water Management Facilities, after first



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giving reasonable notice of such inspection to the Declarant, Commercial and Residential Associations. The Declarant and the Township shall have the right, but not the obligation, to enforce this Storm Water Easement against any person, including the Commercial and Residential Associations, as applicable, and assess the association the reasonable costs of maintaining the Easement. Declarant hereby declares unto itself, and grants to the Township, the Commercial and Residential Associations an easement over any portion of the Property not enclosed within a building to access any portion of the Storm Water Easement herein described, for the purpose of providing the maintenance and upkeep required by this Section.

Section 6. Maintenance of the Easement Areas and Utility Facilities.

A. The Residential Association shall maintain and repair the Lot One Access Drive Easement, as set forth in the Residential Declaration and other documents pertaining to the Residential Lots. The Commercial Association shall maintain and repair the Commercial Lot Access Drive Easement, as set forth in the Commercial Declaration and other documents pertaining to the Commercial Lots. Both the Lot One Access Drive Easement and the Commercial Lot Access Drive Easement shall be maintained in conformity with all Pertinent Laws.

B. The respective Lot Owners shall be responsible for the maintenance and repair of all utility facilities located on their respective lots, except as may be otherwise provided herein or in the Residential or Commercial Declarations.

Section 7. Other Easements contained in Residential and Commercial Declarations. In addition to the covenants, easements, burdens and restrictions established in these Covenants, the Commercial Lots shall be subject to and burdened by those easements and restrictions reserved or granted by the Commercial Declaration, and the Residential Lots and the Remaining Lands shall be subject to and burdened by those easements and restrictions reserved or granted by the Residential Declaration. The Commercial and Residential Declarations are to be construed, wherever possible, as consistent with and in addition to these Covenants. In the event that these Covenants shall be inconsistent with the Commercial or Residential Declarations, the Declarations shall prevail.

## ARTICLE III
## GENERAL USE RESTRICTIONS

Section 1. No portion of any Lot within the Development shall be used as an adult bookstore or similar business catering to pornographic interests, head shop, funeral parlor, flea market, unemployment or similar benefits office or as a massage parlor.



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Section 2. No portion of any lot within the Property that contains grassed waterways shall be used, altered, maintained, improved, or repaired in such a way as to disturb or otherwise negatively affect such areas, as set forth on the Plan.

## ARTICLE IV
## ARCHITECTURAL CONTROL
## DESIGN CRITERIA FOR RESIDENTIAL LOTS

This Article IV provides specific restrictions on the Use and Structures contained on all Residential Lots, as well as procedures whereby the Owner may review and approve or disapprove any Structures proposed to be erected or placed on any Residential Lot. The restrictions contained in this Article IV benefit the entire Development, including every Commercial and Residential Lot, and shall touch upon and run with each and every Residential Lot.

Section 1. Type of Building. No Structure shall be constructed, erected, maintained, used or altered to be used upon any Residential Lot for any purpose other than that of a dwelling, garage and uses accessory thereto. A private garage, which may accommodate one or two cars, may be built provided it is attached to and made a part of the dwelling constructed on that Lot and shall be of the same material and conform in architectural design and construction of the Development and shall be constructed simultaneous with the construction of the dwelling or after the construction of the dwelling.

Section 2. Plans and Specifications. No Structure shall be erected, constructed or maintained on any Residential Lot, nor shall any Residential Lot be graded, nor shall any addition to, change, or alteration to any Structure on a Residential Lot be permitted unless and until specifications and plans describing in sufficient detail the nature, kind, shape, height, materials, floor plans, exterior color, scheme, location, front and rear facings, any elevations, and statement of the approximate cost thereof as well as grading plans of the Residential Lot to be built upon shall have been submitted to and approved in writing by the Owner. The Owner shall have the right to decline to approve any plans and specifications submitted which are not suitable or desirable, in its opinion, for aesthetic or any other reasons whatsoever, taking into consideration the effect of the Structures as planned on the outlook for the adjacent or neighboring properties, and whether the plans are in keeping with and are in general harmony with the Development.

The Residential Lot Owner or their builder or contractor shall maintain a copy of the approved plans and specifications at all times and the Residential Lot Owner shall not substantially change or deviate from the approved plans and specifications without first submitting the revised plans and specifications to the Owner. The revised plans and specifications shall be subject to the approval of the Owner as provided for in these Covenants.



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Section 3. Use. Any Residential Lot as well as any Structure built on that Lot shall be used only for residential purposes and uses accessory to the residential Use. No store, tavern, beauty salon, barber shop, day care center, or other public, commercial, or industrial business shall be permitted on any Residential Lot. The Use of a portion of a Structure on a Residential Lot as an office by the Residential Lot Owner or tenant shall be considered a residential Use if such use does not create regular customer or client traffic to and from the Lot.

Section 4. Roofs. All roofs are to be of natural wood shake, slate, tile or brown, black, slate or similar other conservative color asphalt or fiberglass shingles.

Section 5. Exterior Design. No exterior walls of any Structures shall be constructed of exposed concrete block.

Section 6. Excavation and Grading. The grading of any Residential Lot shall not generally and substantially change the actual elevation and slope of land prior to the commencement of the grading or cause additional surface water to drain onto adjoining Lots. All excavated earth within the boundaries of a Residential Lot in excess of the amount required for proper grading of the Lot must be deposited at a place approved by the Owner.

Section 7. Fencing. No fences of any type may be erected on any portion of the Common Elements.

Section 8. Signs. No advertising sign or billboard or real estate sign offering any Residential Lot for sale or for rent in excess of four square feet on any one side in size shall be permitted. Excluded from this restriction shall be the signs identifying the Development.

Section 9. Laundry. No poles or appliances upon which to hang or expose laundry shall be erected or maintained on any Residential Lot which may be visible from the exterior of the Residential Lot or on the Common Elements.

Section 10. Outdoor Lighting. No free standing outdoor lights shall be permitted. No outdoor lights shall direct light or glare to occur outside the Residential Lot boundary.

Section 11. Swimming Pool. No above ground swimming pool shall be placed or erected on any Common Element.

Section 12. Playground Equipment and Air Conditioners. Children's playground equipment may not be placed on any Common Element. Air conditioner units shall not be placed in front of the Residential Lot, unless screened by shrubbery.

I Certify This Document To Be Recorded in Lancaster Co., Pa.

STEVE McDONALD
Recorder of Deeds



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Section 13. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Residential Lot except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. The decision as to what is a household pet shall rest with the Owner. Such animals may not exceed more than two (2) of any kind over six months of age, and must be maintained so that offensive odors or noise will not be apparent to adjoining Lot Owners. Said animals must all be controlled to prevent damage to other properties within the Development. The owner of any pet permitted by this Section shall immediately clean up the Common Elements after the pet, and shall be liable for any and all damage done to the Common Elements by the pet.

Section 14. Garbage. All Residential Lots shall be kept free of rubbish, trash and junk of any kind at all times. If provided, all trash shall be disposed of in a central collection area provided by the Declarant. No garbage cans or trash containers shall be located in the front or side lawn area or at the curb for more than a 24-hour period.

Section 15. Landscaping Development and Maintenance.

A. The landscaping of any Residential Lot shall be designed and constructed in keeping with the residential character of the Development and the design of the dwelling constructed on that Lot.

B. All landscaping shall be maintained and pruned regularly to provide an aesthetically acceptable environment.

C. No hedge shall exceed four (4) feet in height; provided, however, that the this height restriction shall not apply to any hedge or screening for a patio or court that may be constructed on any Residential Lot.

Section 16. Prohibited Vehicles. No trucks, motorcycles, or automobiles not in normal use, boats, trailers, or recreational vehicles shall be stored anywhere in the Development, except that these vehicles may be stored in a garage provided the door to the garage is closed when the vehicle is not in use.

Section 17. Commercial Vehicles. Parking of any commercial vehicles, buses, or similar vehicles on the public streets of the Development is prohibited, except for temporary loading or unloading.

Section 18. Off-Street Parking. Off-street parking shall be provided as required by all Pertinent Laws



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Section 19. Temporary Structure. No Structure of a temporary character, trailer, tent, shack, garage or any other structure or outbuilding shall be erected or placed in the Common Elements at any time, either temporarily or permanently.

Section 20. Nuisances. No Offensive or Noxious activity shall be carried on upon any Residential Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Development.

Section 21. Antennas. No outside receiving or transmitting antennas, large dish-type receivers or towers shall be erected on any Residential Lot. Small dish-type receivers (DSS-type) shall be permitted, provided that they are constructed on the dwelling and screened in such a manner as to not be visible from any street.

Section 22. Storage Tanks. Above ground pumps, water, gas or other storage tanks are prohibited.

Section 23. Mailboxes. All mailboxes shall be on a uniform type of post or group to be determined by Owner.

Section 24. Plastic Lawn Ornaments. No plastic lawn ornaments shall be permitted. Any seasonal house decorations shall be permitted provided that they are in keeping with the aesthetics of the Development.

Section 25. Storage Sheds. No Structure used for storage shall be permitted, whether temporary or permanent in nature.

## ARTICLE V
## COMMERCIAL DESIGN REVIEW

This Article V provides procedures to be employed before any Structure is erected or altered on any Commercial Lot, and gives guiding principles whereby the Architectural Review Board established herein may consider and approve or disapprove any proposed Structures. It is the express intent of the Owner that the provisions of this Article V are provided solely for the benefit of the Owner and the Commercial Lot Owners, and this Article V does not grant to any Residential Lot Owner any rights to enforce these provisions, either at law or in equity, in any manner whatsoever.

Section 1. Architectural Review Board.

A. Purpose: In order to preserve the natural beauty of the Development and its setting, to maintain the Development as a pleasant and desirable environment, to establish and



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preserve a harmonious design for the Development, and to protect and promote the value of property, no Structure shall be erected, placed or altered upon any Commercial Lot until the building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such Structure, drives and parking areas), landscape plan, and construction schedule shall have been approved in writing as hereinafter provided.

B. Objectives: Architectural and design review shall be directed towards attaining the following objectives for the Commercial Lots:

(1) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural landforms.

(2) Ensuring that the architectural design of Structures and their materials and colors are visually harmonious with the Development's overall appearance, history and cultural heritage, with surrounding development, with natural landforms and native vegetations, and with development plans officially approved by Owner or any governmental or public authority, for the areas in which the Structures are proposed to be located.

(3) Ensuring the plans for landscaping provide visually pleasing settings for Structures on the same Lot and on adjoining or nearby Commercial Lots, and blend harmoniously with the natural landscape.

(4) Promoting building design and construction techniques that respond to energy consumption and environmental quality considerations such as heat loss, air emissions, and run-off water quality.

C. Architectural Review Board.

(1) Owner shall establish an Architectural Review Board which shall consist of three (3) members. Initially, all three (3) members shall be appointed by the Owner. Upon the sale and settlement for ninety (90%) percent of all Residential Lots, two (2) members shall be appointed by the Owner and one (1) member shall be appointed by the Executive Board of the Commercial Association. The regular term of office for each member shall be two (2) years, coinciding with the fiscal year of the Owner. Not more than two (2) members shall have their terms expire in the same year. Any member appointed by the Owner may be removed with or without cause by the Owner at any time by written notice to such appointee. A successor or successors appointed to fill such vacancy shall serve the remainder of the



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term of the former member. Any member elected by the Executive Board of the Commercial Association may be removed by that Executive Board.

(2) The Review Board shall select its own Chairman and he or she, or in his or her absence, the Vice-Chairman shall be the presiding officer of its meetings. All meetings shall be held at least once in each calendar month or upon call of the Chairman; all meetings shall be held at the offices of the Owner in Lancaster County, Pennsylvania or at such other places as may be designated by the Chairman. Two (2) members shall constitute a quorum for the transaction of business, provided a minimum of two (2) members appointed by the Owner, unless authority is transferred to the Commercial Association pursuant to Article V, Section 2, below, shall be present in order to have a quorum. The affirmative vote of a majority of the members of the Review Board present at a meeting where a quorum is present shall constitute the action of the Review Board on any matter before it. The Review Board shall operate in accordance with its own rules of procedure. Any required operating budget of the Review Board which exceeds the amounts received pursuant to Article V, Section 6, below, shall be provided by the Owner until review authority is transferred to the Commercial Association pursuant to Article V, Section 2, below, after which it shall be provided and approved by the Association.

(3) The Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers, and/or attorneys, to advise and assist the Review Board in performing the design review functions herein prescribed. Thereafter, the individual(s) or firm(s) retained shall be determined by a majority vote of the Review Board.

Section 2. Transfer of Architectural Review Authority. The Owner may, by filing a supplemental declaration of covenants and conditions with the Recorder's Office, transfer the above described architectural review authority to a permanent Review Board which, subject to the covenants and conditions stated with the aforesaid supplemental declaration, shall be under the control of the Commercial Association. This section does not obligate the Owner to make such transfer, provided, however, such transfer must be made no later than January 1, 2016.

Section 3. Review of Approval of Plans for Additions, Alterations or Changes to Structure and Landscaping: No Structure or improvement of any kind shall be commenced or erected upon any upon any Commercial Lot or upon the exterior of any Structure on any Commercial Lot, nor shall any landscaping be done until the proposed building plans, specifications (including height, materials, and exterior finish), plot plan, landscape plan, and construction schedule shall have been submitted to and approved by the Review Board.



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Section 4. Business Uses. Commercial Lots may only be devoted to those Commercial Uses allowed by the Township Zoning Ordinance in accordance with Pertinent Law.

Section 5. Siting. To assure that Structures on the Commercial Lots will be located with regard to the topography of each property taking into consideration the location of existing trees and other aesthetic and environmental considerations, the Review Board shall have the right to control and to decide solely (so long as (a) its decisions are not arbitrary and capricious and (b) subject to the provisions of Pertinent Laws) the precise site and location of any Structures upon any Commercial Lot.

The location shall be determined only after reasonable opportunity is afforded the Commercial Lot Owner to recommend a specific site. Provided, however, that in the event an agreed location is stipulated in writing in the contract of purchase and approved by the Owner, and such location complies with all Pertinent Laws, the Review Board shall be deemed to have approved such location as if it voted.

Section 6. Submission, Approval and Refusal of Architecture, Landscaping and Other Building Plans: Two copies all plans and related data shall be furnished the Review Board. One copy shall be retained in the records of the Review Board. The other copy shall be returned to the Lot Owner marked "approved" or "disapproved" with the date of such decision indicated on the returned plan. The Review Board shall establish a fee sufficient to cover the expense of reviewing plans and related data at the time they are submitted for review and to compensate any consulting architects, landscape architects, urban designers or attorney's retainer in accordance with Article IV, Section 1(C)(3) above. Construction must be commenced on an approved plan within two years after approval or the Review Board may revoke such approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within 60 days following receipt by Review Board of written request for approval, the Plan shall be deemed approved as if approved by a majority of the Review Board. Disapproval of plans, location or specifications may be based by Review Board upon any ground which is consistent with the objectives of these Covenants, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious or otherwise violative of existing law, including, without limitation, all laws involving unlawful discrimination on the basis of race, gender, religion, national origin or against persons with disabilities.

Section 7. Approval Not a Guarantee or Representation of Proper Design or Good Workmanship: No approval of plans, location or specifications, and no publication of architectural standards bulletins shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed Structure or improvement. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good workmanlike



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manner. Neither the Owner nor the Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved under these Covenants nor for any defects in construction pursuant to such plans and specifications. The Commercial Lot Owner shall have sole responsibility for compliance with approved plans and does hereby hold the Owner and the Review Board harmless for any failure thereof caused by the Commercial Lot Owner's architect or builder.

Section 8. Prohibition of Banks and Financial Services. Any other provision of these Covenants notwithstanding, no Commercial Use shall be commenced, and no Structure shall be erected, placed, or altered upon any Commercial Lot other than Lot 3 for use as a financial holding company, depository institution holding company, depository institution, banking institution, bank, trust company, bank and trust company, savings bank, savings association, credit union or similar financial institution. No automatic teller machine (ATM) or similar Structure may be erected or placed on any Commercial Lot except for Lot 3, except that ATM's owned or operated by Sterling Financial Corporation, Bank of Lancaster County, N.A., or the owner of Lot 3, its subsidiaries or affiliates may be permitted on any Commercial Lot, subject to approval by the Review Board. Notwithstanding any other provision of the Covenants, this Section may not be altered in any way without the written consent of Sterling Financial Corporation, Bank of Lancaster County, N.A., or the owner of Lot 3, if Lot 3 is not owned by Sterling Financial Corporation or Bank of Lancaster County, N.A.

Section 9. Liability of Review Board Members. Neither the Owner nor any member of the Review Board shall be personally liable to any Lot Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Review Board.

Section 10. Construction without Approval. If any improvement or Structure shall be erected, placed, or maintained upon any Commercial Lot, or the exterior design thereof is altered upon any Commercial Lot, other than in accordance with the approval provisions of this Article V and the standards adopted pursuant thereto, such alteration, erection, placement, or maintenance shall be deemed to have been undertaken in violation of these Covenants. Upon written notice from the Review Board, any such improvement or Structure so altered, erected, placed, maintained, or used upon any Commercial Lot in violation of these Covenants shall be removed or altered so as to conform to these Covenants. Should such removal or alteration not be accomplished within thirty (30) days after the receipt of such notice, the Review Board, Commercial Association, any Commercial Lot Owner, or the Owner may enforce this Article V at law or in equity, to assert any legal remedy including, but not limited to, the requirement that any unapproved building or structure be torn down. If such an enforcement action is successful, the Commercial Lot Owner in breach of this Article V shall be liable for all costs of enforcement, including all reasonable attorney's fees, expended by the Commercial Association, Review Board, Commercial Lot Owner, or the Owner to ensure compliance with these Covenants.



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## ARTICLE VI
## MAINTENANCE PROVISIONS

This Article VI provides maintenance responsibilities imposed on every individual Lot Owner, and benefit the entire Development, including every Commercial and Residential Lot. The restrictions contained in this Article IV shall touch upon and run with each and every Residential and Commercial Lot.

Section 1. Maintenance and Repair. All Structures and landscaping located on any Commercial or Residential Lot or the Remaining Lands shall at all times be maintained by the Lot Owner in a neat, clean and sanitary condition, in good order and repair, and in accordance with all Pertinent Laws. The responsibility of each Lot Owner or occupier shall include the maintenance and repair of all exterior surfaces of all buildings and structures thereon and all lawns, trees, shrubs, hedges, grass and other landscaping. In the event of damage or destruction by fire or other casualty, or taking by eminent domain, of any of the Commercial or Residential Lot or the Remaining Lands or of any of the Structures or landscaping thereon, the Lot Owner in question shall promptly repair and restore the same, or alternatively, shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Commercial or Residential Lot or the Remaining Lands in a clean, orderly, safe and sightly condition. All such repairs, construction or demolition shall be commenced promptly following such damage, destruction or taking (the affected Lot Owner having a reasonable period of time to obtain required building and other permits and to collect available insurance proceeds) and shall be carried through diligently to conclusion.

Section 2. Maintenance of Easements, Utilities, and Facilities.

Lot Owners shall be responsible for the maintenance and repair of all parking areas, access roads, driveways, walkways, Storm Water Management Facilities and utility facilities located on their respective lots (except as may be otherwise provided herein or in the Commercial and Residential Declarations) in accordance with all Pertinent Laws, and all federal, state, county and municipal laws, statutes, regulations, and ordinances.

Notwithstanding anything contained herein to the contrary, if any maintenance or repair work with respect to the Common Elements, parking areas, access roads, driveways, walkways, Storm Water Management Facilities and/or utility facilities located in the Development becomes necessary as the result of the negligence or intentional acts of any person (the "Negligent Party"), the Negligent Party shall perform at its expense the necessary maintenance or repair work on the Development.



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## ARTICLE VII
## GENERAL PROVISIONS

Section 1. Variance. The Owner reserves the right to grant a variance to any of the standards set forth in Article IV so long as the variance complies with all Pertinent Laws which variance shall only be approved in writing.

Section 2. Enforcement. The Declarant or Owner, so long as it owns any portion of the Development, or any Commercial Lot Owner, may enforce any of the obligations or restrictions contained in these Covenants at law or in equity to compel compliance with the terms hereof or to prevent the violation or abate the violation or breach of the terms hereof. Residential Lot Owners may enforce only those obligations or restrictions contained in Articles II, III, IV, and VI. Nothing contained in Article V shall be construed to confer any right or benefit or third party benefit upon any Residential Lot Owner, nor shall anything contained therein grant or provide standing to bring any action either at law or in equity to enforce the provisions therein.

Section 3. Amendment of Plan. The Declarant or Owner reserve the right, in their sole discretion, to amend or revise the Plan and to make reasonable changes to the location and design of any improvements as well as any and all other aspects of the Plan provided that the general scheme and effect of access to Lots is maintained, subject only to the approval of the appropriate governmental authorities having jurisdiction over the same. By acceptance of a deed to any Lot, the Lot Owner specifically relinquishes any right, title or interest in and to the streets or other improvement depicted on the Plan to the effect such that the Declarant or Owner shall be free to exercise their right to reasonably amend the Plan as set forth in this paragraph. In no event shall this right to amend be construed, nor shall it have the effect of abrogating the right of any Lot Owner to use constructed streets for the purpose of providing adequate ingress, egress and regress to and for that Lot.

Section 4. Covenants Running With The Land. The Easements provided in Article II of these Covenants, and the restrictions contained in Article III, IV and this Article VII shall be perpetual in duration, and shall survive any termination pursuant to this Section. Any other covenant, restriction or obligation set forth in these Covenants shall be binding on all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the owners of Lots has been recorded agreeing to change said covenant in whole or in part.

Notwithstanding any provision to the contrary, the restriction contained in Article V, Section 8 may not be altered in any way without the written permission of Sterling Financial



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Corporation, Bank of Lancaster County, N.A., or the Lot 3 Owner, if no longer owned by Sterling Financial Corporation or Bank of Lancaster County, N.A.

Section 5. Binding Effect; Easements Running with the Land. The covenants, easements, burdens, rights and restrictions established by these Covenants are for the benefit of, and a burden upon each respective Lot Owner and shall run with, and be appurtenant to title to the Lots. These covenants, easements, burdens, rights and restrictions shall bind the Declarant, the Owner, the Lot Owners, and the Association, and their respective heirs, successors, assigns, lessees, occupiers, tenants, possessors, guests, licensees, agents and invitees.

Section 6. Severability. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

Section 7. Supplement. These conditions, covenants, obligations and restrictions shall be in addition to any applicable provisions of any present or future Pertinent Laws and no provision hereof shall be deemed to authorize any act in violation of any such Pertinent Laws.

Section 8. Assignability. The Declarant or Owner may assign any or all of the rights, obligations, or restrictions provided for in these Covenants at any time without any restriction or limitation whatsoever.

Section 9. Governing Law. These Covenants shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Section 10. Township Enforcement. In addition to any rights established in the remainder of these Covenants, the Township, in its discretion, may access the easement areas described in Article II, Section 3 and the Storm Water Management Facilities described in Article II, Section 4 for the purpose of repairing uncorrected deficiencies relating to the utility facilities in the easement area or Storm Water Management Facilities. The Township may, in its discretion, avail itself of the rights and remedies set forth in this Article VII (subject to the procedural provisions thereof) as if it were the owner of a portion of the Property entitled to the benefits of any utility easement or Storm Water Management Facility referenced herein. The Township shall not be obligated to exercise the rights Owner is hereby granting to the Township.

II, Section 4 for the purpose of repairing uncorrected deficiencies relating to the utility facilities in the easement area or Storm Water Management Facilities. The Township may, in its discretion, avail itself of the rights and remedies set forth in this Article VII (subject to the procedural provisions thereof) as if it were the owner of a portion of the Property entitled to the benefits of any utility easement or Storm Water Management Facility referenced herein. The Township shall not be obligated to exercise the rights Owner is hereby granting to the Township.

IN WITNESS WHEREOF, Declarant and Owner have executed this instrument as of the date stated above.

BERKS CONSTRUCTION COMPANY INC.

(~~Asst~~) Secretary

By: _____, President
Berks Construction Company Inc.

MILLPORT DEVELOPERS, LP.
a Pennsylvania limited partnership
MILLPORT DEVELOPERS, LLC,
a Pennsylvania limited liability company,
General Partner
VICTOR KICERA
Sole Member of Millport Developers, LLC

_____
Victor Kicera

ASM:ASM: 240231.6 ( 15286.005 ) 3/26/02

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COMMONWEALTH OF PENNSYLVANIA )
) SS:
COUNTY OF LANCASTER )

On this, the 4th day of April, 2002, before me the undersigned individuals, personally appeared VICTOR KICERA, who acknowledged themselves to be the sole member of MILLPORT DEVELOPERS, LLC, which is the general partner of MILLPORT DEVELOPERS, LP. and that they as such General Partner, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing as partners of such member.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Jane Iaccarino
Notary Public

NOTARIAL SEAL
JANE IACCARINO, Notary Public
Mohnton, Berks County, PA
My Commission Expires 6-22-2003

COMMONWEALTH OF PENNSYLVANIA )
) SS:
COUNTY OF LANCASTER )

On this, the 4th day of April, 2002, before me the undersigned individuals, personally appeared J. Lavern Horning, who acknowledged himself to be the President of Berks Construction Company Inc. and that being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing as partners of such member.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Jane Iaccarino
Notary Public

NOTARIAL SEAL
JANE IACCARINO, Notary Public
Mohnton, Berks County, PA
My Commission Expires 6-22-2003

**JOINDER OF MORTGAGEE**
**IN DECLARATION COVENANTS, EASEMENTS**
**AND RESTRICTIONS FOR THE CROSSINGS**
**AT ROCKY SPRINGS, A CONDOMINIUM**

FARMERS FIRST BANK (the "Mortgagee"), the mortgagee named in a certain mortgage given by MILLPORT DEVELOPERS, LP dated October 30, 2001 and recorded November 7, 2001 in the Recorder of Deeds Office in and for Lancaster County, Pennsylvania, in Record Number 5022657, securing indebtedness in the original principal amount of $1,850,000.00 (the "Mortgage"), join in the Declaration of Covenants, Easements and Restrictions for The Crossings at Rocky Springs, dated April 4/2, 2002 , which is intended for recording in the Lancaster County Recorder of Deeds Office concurrently herewith (the "Covenants"), for the express and limited purposes of subjecting the property described therein to the restrictions, obligations, easements, and rights contained therein. In executing this joinder, Mortgagee declares that its interest in the real estate which is subject to the Covenants is solely as mortgagee and as security for an obligation. Mortgagee shall not be deemed a Declarant within the meaning of the Act by virtue of this joinder.

The Crossings at Rocky Springs is located in West Lampeter Township, Lancaster County, Pennsylvania.

Dated: April 5, 2002

ATTEST: Maria Medina, V.P.

FARMERS FIRST BANK

By: V.P.

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COMMONWEALTH OF PENNSYLVANIA :
: SS:
COUNTY OF LANCASTER :

On this the 5th day of April, 2002, before me, a notary public, the undersigned officer, personally appeared Peter ~~Reiker,~~ Rieker who acknowledged himself to be the Vice-President, of FARMERS FIRST BANK, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

Beth A. Morgan
Notary Public

My Commission Expires:

Notarial Seal
Beth A. Morgan, Notary Public
Lititz Boro, Lancaster County
My Commission Expires June 7, 2004
Member, Pennsylvania Association of Notaries

This Document Recorded
01/02/2003
02:31PM
Doc Code: 11 Lancaster County, Recorder of Deeds Office

Doc Id: 5141759
Receipt #: 134087
Rec Fee: 72.50

# DECLARATION OF CONDOMINIUM

# THE CROSSINGS AT ROCKY SPRINGS, A CONDOMINIUM

Township of West Lampeter
County of Lancaster
Commonwealth of Pennsylvania

I Certify This Document To Be Recorded in Lancaster Co., Pa.

STEVE McDONALD
Recorder of Deeds

DECLARATION OF CONDOMINIUM

THE CROSSINGS AT ROCKY SPRINGS,
A CONDOMINIUM

Township of West Lampeter
County of Lancaster
Commonwealth of Pennsylvania

THIS DECLARATION is made this 11th day of December, 2002, by **Berks Construction Company Inc.**, a Pennsylvania corporation, who is the equitable owner of the real estate described herein. **Millport Developers, LP.**, a Pennsylvania limited partnership, is the legal title holder to the real property described herein and joins in this Declaration for the sole purpose of agreeing to submit the legal title to the real property to the condominium.

WITNESSETH:

ARTICLE I

SUBMISSION

1.1. Name; County; Description: Berks Construction Company Inc., a Pennsylvania corporation, (the "Declarant"), equitable owner of the real estate described in Exhibit A attached hereto, located in the Township of West Lampeter and County of Lancaster, Pennsylvania, hereby submit the real estate, together with the Buildings and improvements thereon erected and the easements, rights and appurtenances thereunto belonging (collectively, the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. Section 3101 et. seq. (the "Act"), and hereby creates with respect to the Property a flexible condominium, to be known as The Crossings at Rocky Springs, a Condominium (the "Condominium").

1.2. Easements and Licenses: The Property is so submitted with the following easements which existed prior to the date of this Declaration:

A. Under and subject to requirements, objections, reservations and restrictions on use which control the premises as shown in Subdivision Plan Book J-191, Page 24 and J-97, Page 29.

B. Condemnation as set forth in Record Book M, Volume 63, Page 735.

C. Deed of Easement to Commonwealth as set forth in Record Book Z, Volume

64, Page 545.

D. Easement in Gross as set forth in Record Book B, Volume 68, Page 322.

E. Under and Subject to the Declaration of Covenants, Easements and Restrictions recorded in the Recorder's Office as Document Number 5066888

F. The Storm Water management Agreement and Declaration of Easement between the Declarant and West Lampeter Township, recorded as Document Number 5022658.

G. Under and Subject to the Plan.

## ARTICLE II

## DEFINITIONS

2.1. Terms Defined or Used in the Act: Capitalized terms used herein and in the Declaration Plan shall have the meanings specified or used for such terms in Section 3103 or elsewhere in the Act, unless otherwise defined herein.

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

"Additional Real Estate" shall mean the real estate described as such in Exhibit B attached hereto and as shown on the Declaration Plan.

"Association" shall mean The Crossings at Rocky Springs Condominium Association, Inc., A Pennsylvania non-profit corporation, its successors and assigns.

"Buildings"shall mean any buildings on the Real Estate.

"Bylaws" shall mean the Bylaws of The Crossings at Rocky Springs Condominium Association, Inc., as they may be amended from time to time.

"Declarant" shall mean Berks Construction Company Inc., a Pennsylvania corporation.

"Executive Board" shall mean the Executive Board of The Crossings at Rocky Springs Condominium Association, Inc., as provided for in the Bylaws of the Association.



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"Limited Common Elements" shall mean the Limited Common Elements defined in the Act and all of the stoops, decks and screened-in porches as shown on the Declaration Plan or identified in any deed or assignment from the Declarant.

"Limited Expenses" shall mean the Common Expenses described as such in Section 3314(c) of the Act as modified by Section 3.4. of this Declaration.

2.3. Non-Statutory Terms Defined: The following terms when used herein or in the Declaration Plan shall have the meanings set forth below:

"Declaration Plan" shall mean the Plan. The Declaration Plan is an integral part of the Declaration.

"General Common Expenses" shall mean Common Expenses excluding Limited Expenses.

"Percentage Interest" shall mean each Unit Owner's undivided ownership interest in the Common Elements and share of Common Expense liability appurtenant to each Unit as set forth in Exhibit E attached, as the same may be amended from time to time.

"Permitted Mortgage" shall mean a first mortgage to (i) the Declarant; (ii) the seller of a Unit, (iii) a bank, trust company, savings bank, savings and loan association; mortgage service company, insurance company, credit union, pension fund, or like institutional investor or lender; and (iv) any other mortgagee approved by the Executive Board. A holder, insurer or guarantor of a Permitted Mortgage and all successors and assigns of any of the above, which may include but is not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration and the Veteran's Administration, is referred to herein as a "Permitted Mortgagee."

"Plan" shall mean the final land development plan for The Crossings at Rocky Springs, as amended, approved by the Township and recorded in the Recorder's Office in Plan Book J-211, Page 138.

"Recorder's Office" shall mean the Office of the Recorder of Deeds in and for the County of Lancaster, Commonwealth of Pennsylvania.

"Township" shall mean the Township of West Lampeter, County of Lancaster, Pennsylvania.

"**Structure**" shall mean any man-made object having an ascertainable stationary location on land or in water, whether or not affixed to the land, any construction, object,



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projection or piece of work artificially built up or composed of parts joined together in some definite manner, which is erected or shaped on the Property, including but not limited to Buildings, fences, tennis courts, swimming pools, pavilions, tents, gazebos, garages, storage buildings, signs, abutments, ornamental projections, exterior fixtures, shaped earth or masonry Structure, lights, clotheslines, playgrounds, sandboxes or antennas.

## ARTICLE III

## BUILDINGS; UNITS; BOUNDARIES; TYPES

3.1. Declaration Plan; Units/Common Elements: The location and dimensions of the Buildings and the other structures and improvements comprising the Property are shown on the Declaration Plan and the location of Units and Limited Common Elements of the Condominium are shown on the Declaration Plan. All portions of the Condominium other than the Units and Limited Common Elements are Common Elements, which shall include without being limited to recreational facilities such as tennis courts, basketball courts, any pavilions or picnic areas, and any walking or biking paths, as described on the Plan.

3.2. Unit Boundaries: Each Unit will consist of a space bounded by the perimeter walls and floor of the Unit. The upper boundary of the Unit will be the lower side of the roof trusses. The Unit will also include any floor covering (carpet, tile, etc.), wallboard and wall covering, exterior doors and windows, heating and air conditioning apparatus, and any portion of the plumbing, electrical and mechanical systems serving only that Unit. Each unit shall also consist of all spaces, interior partitions and other fixtures and improvements within the title lines described above. 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 Declaration Plan, as being allocated to such Unit.

3.3. Types of Units: The types of Units are shown on the Declaration Plan.

3.4. Maintenance Responsibilities: Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of Section 3307 of the Act, except as expressly set forth to the contrary herein. All Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element shall be assessed as Limited Expenses against the Units to which such Limited Common Element was assigned at the time the expense was incurred.

3.5. Relocation of Unit Boundaries; Subdivisions and Conversion of Units: Relocation of boundaries between Units and subdivision or conversion of Units by Unit Owners is not



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permitted. Relocation of boundaries or subdivision or conversion of Units by the Declarant will be permitted subject to compliance with the provisions therefor in Sections 3214 and 3215 of the Act and subject to compliance with the applicable provisions of appropriate zoning, land use, subdivision and land development ordinances. The maximum number of Units that may be created by the subdivision or conversion of Units shall be two (2).

## ARTICLE IV

## IDENTIFICATION OF UNITS, VOTES, ALLOCATION OF COMMON ELEMENT INTERESTS & COMMON EXPENSE LIABILITIES

4.1. Allocation of Common Element Interest, Votes and Common Expense Liability: Attached as Exhibit E hereto is a list of all Units, their Identifying Numbers, location (all as shown more fully on the Declaration Plan), size, type and the Percentage Interest appurtenant to each Unit. The Percentage Interest is calculated as follows:

$$\text{Percentage Interest} = \frac{1}{\text{Number of Units}}$$

Each Unit Owner shall become a member of the Association and shall be subject to all rights and duties assigned to Unit Owners. Each Unit shall have one vote. Until a Unit is sold, the Declarant shall have the rights and responsibilities as they relate to each individual unsold Unit.

## ARTICLE V

## DESCRIPTION, ALLOCATION AND RESTRICTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

5.1. Common Elements and Limited Common Elements: Common Elements will be depicted on the Declaration Plan, including without limitation any recreational improvements such as tennis courts, basketball courts, pavilions, and bituminous paths. Limited Common Elements will be depicted on the Declaration Plan or described in the Deed to a Unit, and will include any stoop, deck, or screened-in porch attached to each Unit. The Declarant may assign Limited Common Elements pursuant to the provisions of Section 3209 of the Act by making such as assignment in a written instrument of assignment or in the Deed to the Unit or by recording an appropriate amendment to this Declaration.

5.2. Surface Parking Areas: Any surface parking spaces shall be deemed Common



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Elements and shall be available for the use of Unit Owners. Each Unit shall have the use of one parking space at a location assigned by the Executive Board. Unassigned parking spaces shall be available for the use of owners and their guests on a "first come - first served" basis, except as the Executive Board may otherwise determine.

5.3. Designation of Reserved Common Elements: "Reserved Common Elements" are those portions of the Common Elements which may be designated for use by less than all of the Unit Owners or by non-owners of any Units for specified periods of time or access may be limited to less than all of the Unit Owners or permitted by the non-owners of any Units for specified periods of time by only those Persons paying fees for membership or use or satisfying other reasonable conditions for use as may be established by the Executive Board. Included in the Reserved Common Elements may be a Unit or other improvements which may be used as the residence of the Condominium manager or superintendent, or other facilities, meeting rooms or such uses as the Executive Board may designate for access by authorized personnel, permitted Persons or for commercial uses. The Executive Board shall have the discretionary power to designate the Common Elements which shall be Reserved Common Elements, grant reserved rights to any or less than all of the Unit Owners or to others, and to establish reasonable charges and conditions for the use and maintenance thereof. Included in the Reserved Common Elements shall be such areas as the Executive Board may designate.

## ARTICLE VI

## EASEMENTS

6.1. Additional Easements: In addition to and in supplementation of the easements provided for by Sections 3216, 3217 and 3218 and the other provisions of the Act, the following easements are hereby created:

A. Easement for Sales Purposes: Declarant shall have the right to maintain models, a management office and a sales office on the Property and to relocate such models, management office and sales office from time to time anywhere within the Property. The models, management office and sales office constituting a portion of the Common Elements shall be subject to the following requirements:

(1) The models maintained by the Declarant shall be in Units owned by the Declarant. Such model Units shall not exceed one (1) model for each type of Unit. The size of each such model shall be the size of the Unit which is the model.

(2) In addition to the models maintained by the Declarant, Declarant shall have the right to maintain within the Common Elements and/or any Units owned by the Declarant not more than one (1) office for sales and/or management



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purposes. Such sales or management office may not exceed the size of the largest Unit in the Condominium.

(3) 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.

B. Easement for Ingress and Egress: Each Unit Owner shall have the unrestricted right of ingress and egress to his or her Unit and a right of access to the Common Elements, subject to rules, regulations and restrictions established by the Association. This right shall be perpetual.

C. Easement for Access to Units: Authorized representatives of the Unit Owners Association, including the Declarant and the Managing Agent, may enter any Unit to the extent necessary to correct conditions threatening other Units or the Common Elements, to make repairs to Common Elements which are accessible only from the Unit, or to correct conditions which constitute violations of this Declaration, the Bylaws or Regulations. Notice must be given to the Unit Owner prior to entry except in emergencies when a Unit may be entered without notice. In the event of violation of this Declaration, the Bylaws or Rules or Regulations, the violation may be corrected without the consent of the Unit Owner, and the Unit Owner may be charged with the resulting expense.

D. Easement for Support: Each Unit Owner has the benefit of a restriction upon any action of a neighboring Unit Owner, or of the Association with respect to the Common Elements, which would endanger the stability or safety of his Unit.

E. Easement for Encroachments: An easement is granted to each Unit Owner and the Association in the event a Unit or Common Element encroaches upon another Unit or Common Element for both the encroachment and its maintenance.

F. Easement to Facilitate Expansion: In the event that the Declarant expands the Condominium, an easement across the existing phase or phases is hereby created to the extent necessary to construct the improvements on the expansion phase.

G. Easement in the Event of Contractibility: In the event the Declarant withdraws real estate from or chooses not to annex Additional Real Estate to the Condominium, an easement across the existing phase or phases is hereby declared to exist to the extent necessary to permit access to the Withdrawable Real Estate or the Additional Real Estate by anyone using the Withdrawable Real Estate or the Additional Real Estate.

6.2. Utility Easements: The Units and Common Elements shall be, and are hereby, made



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subject to easements in favor of the Declarant and the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 6.2. shall include without limitation rights of the Declarant and the Association, 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, telephone wires and equipment, television cable 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 6.2., 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 existed at the time of first conveyance of the Unit by the Declarant, so as not to materially interfere with the use or occupancy of the Unit by its occupants.

6.3. Declarant's and Association's Easement to Correct Drainage: Declarant and the Association reserve 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 6.3. expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant or the Association shall restore the affected property as closely to its original condition as practicable.

6.4. Declarant's Easement for Development of Additional Real Estate:

A. In the event that the Declarant adds real property to the Community, through the addition of Additional Real Estate, or through the merger or consolidation of the Community with one or more condominiums, the Declarant reserves an easement on, over and under those portions of the Common Elements not located in a building which contains Units, for all purposes relating to the construction, development, leasing, and sale of improvements on the Additional Real Estate and real estate added to the Community through merger or consolidation. This easement shall include, without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, and conduct of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directional and promotional signs.

The easement created by this Section 6.4. shall terminate as to the Additional Real Estate upon the annexation of all of the Additional Real Estate to the Condominium, or upon the termination of the Declarant's rights to merge or consolidate the Community with



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one or more other condominiums, except that Declarant shall maintain the easements and rights for the conduct of construction and marketing activities with respect to the Condominiums as are otherwise provided in the Act and this Declaration.

6.5. Easement For Access to Premises. All Property is conveyed together with and subject to an easement for ingress and egress along the entire length of all private access drives depicted on the Plan.

6.6. Easement for Streets, Sidewalks and Utilities. Declarant reserves an easement for streets, sidewalks and utilities.

## ARTICLE VII

## AMENDMENT OF DECLARATION

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 thereof and the express provisions of this Declaration.

7.2. Rights of Permitted Mortgagees: Subject to the limitations imposed by Section 3221 of the Act, no amendment to this Declaration may be made without the prior written approval of at least (a) fifty-one percent (51%) of all Permitted Mortgagees if and to the extent that such amendment is material, or (b) sixty-seven percent (67%) of all Permitted Mortgagees if and to the extent that such amendment would have the effect of terminating or abandoning the Condominium (except for termination or abandonment as a result of a taking of all the Units by eminent domain or a casualty resulting in termination), or abandoning, encumbering, selling or transferring the Common Elements. Any amendment having the effect of partitioning or subdividing any Unit or the Common Elements, or changing the Percentage Interests of the Unit Owners shall require the written approval of at least fifty-one percent (51%) of all holders of Permitted Mortgages on Units affected thereby. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed to be a transfer within the meaning of this Section.

7.3. Rights of Declarant: No charge, modification or amendment which affects the rights, privileges or obligations of the Declarant shall be effective without the prior written consent of the Declarant.

7.4. Other Amendments:

A. If any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provisions of this Declaration or the



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Plan which is defective or inconsistent with any other provision hereof or thereof or with the Act, or to change, correct or supplement anything appearing or failing to appear in the Declaration Plan which is incorrect, defective or similarly inconsistent, or if such amendment is necessary to conform to the then current requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Housing Administration or Veteran's Administration with respect to condominium projects, the Executive Board may, at any time and from time to time, effect such amendment without the approval of the Unit Owners. 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 the preceding sentence, together with a like opinion from an independent registered architect or licensed professional engineer in the case of any such amendment to the Declaration Plan, then each such amendment shall be submitted in writing to each Permitted Mortgagee for approval, but the failure by Permitted Mortgagee to submit a response within thirty (30) days after the amendment is submitted shall be deemed to be approval.

B. Any proposed amendment to this Declaration that is submitted for consideration by sixty-seven percent (67%) of all Unit Owners (but not if submitted by the Declarant or the Executive Board) shall be accompanied by an opinion from independent legal counsel procured at the Unit Owners' expense to the effect that the proposed amendment does not violate the Act; any Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration or Veteran's Administration rule, regulation or requirement with respect to condominium projects; nor any rule, regulation or ordinance of any local, state or federal governmental body or agency.

C. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution and acknowledgment by one or more officers of the Executive Board.

## ARTICLE VIII

## USE RESTRICTIONS

8.1. Use and Occupancy of Units and Common Elements: The Units and Common Elements shall be occupied and used as follows (subject to further restrictions that may be set forth in the Bylaws or the Rules and Regulations as referred to in the Bylaws):

A. The Units in the Condominium are restricted to residential use except that the Declarant may use any unsold Units as models or as sales offices; other reasonable, temporary nonresidential uses may be permitted by the Executive Board. If zoning regulations permit professional activities to be conducted within the Units, application may



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be made by a Unit Owner to the Executive Board for approval to commence such newly permitted use of his Unit. Each such application shall be considered by the Executive Board on an individual basis. Once the Executive Board has given its approval to a particular use of a Unit, it may not revoke such approval so long as the nature and scope of the approved use remains unchanged. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

B. Except as set forth in subparagraph "A" above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. Except for a single small, non-illuminated name sign on the door of a Unit, no signs, advertising or other displays shall be maintained or permitted on any part of the Property except as such location and in such form as shall be determined by the Executive Board. The right is reserved by the Declarant or its agent or agents, to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units, and on any part of the Common Elements.

C. There shall be no obstruction of the Common Elements nor shall anything be stored in or on the Common Elements without the prior consent of the Executive Board except as herein expressly provided. The use and the covering of the interior surfaces of windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Executive Board.

D. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Property, or contents thereof, applicable for residential use, without the prior written consent of the Executive Board, which consent may be conditioned upon the Unit Owner of such Unit being required to bear the full amount of such increase. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will violate any law, statute, ordinance or regulation of any governmental body or which will result in the cancellation of any insurance maintained by the Executive Board. No waste shall be committed in the Common Elements.

E. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the building or on the Property and no sign, awning, canopy, shutter, radio or television antenna (except as permitted by subparagraph "B" hereof, or except as installed as of the date this Declaration is recorded or as thereafter installed by the Declarant or Executive Board) shall be affixed to or placed upon the exterior walls or roof of any part thereof, without the prior written consent of the Executive Board. No air conditioning unit of whatever type other than those installed as of the date this Declaration is recorded or those thereafter installed by the Declarant may be installed without the prior written permission of the Executive Board. No plantings or flagpoles shall be permitted in the Common Elements without the prior written permission



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of the Executive Board.

F. No animals, livestock, fowl or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that household pets such as dogs or cats may be kept in Units, subject to Rules and Regulations adopted by the Executive Board, which Rules or Regulations may exclude any kind of pet by type or category, provided that permitted household pets are not kept, bred, or maintained for any commercial purpose; and provided further that any such authorized pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days' written notice from the Executive Board. All pets shall be registered with the Executive Board.

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

H. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris, garbage containers and other unsightly materials.

I. No benches, chairs or other personal property shall be left on, nor shall any playing, lounging, parking of baby carriages, playpens, bicycles, wagons, toys, boats, boat trailers, motor homes or recreational vehicles be permitted on, any part of the Common Elements without the prior consent of, and subject to the Rules and Regulations of the Executive Board.

J. No Unit Owner shall overload the electric wiring in the Buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Executive Board, an unreasonable disturbance to others, nor shall any Unit Owner connect any machine, appliance, accessory or equipment to the heating system or plumbing system without the prior written consent of the Executive Board. Installation, removal, reconstruction or repair of any electrical lighting and power circuit or electrical outlet box or terminal device included in such outlet box, or any item of heating or air conditioning equipment, any of which is located within an interior partition of a Unit, may be undertaken by the Unit Owner of such Unit only after application has been made to and written approval has been received from the Executive Board. Such approval shall be granted only if the work performed shall be of similar or superior quality to that present throughout the Building and shall be performed by qualified personnel. The cost of such installation, removal, reconstruction or repair whether undertaken by a Unit Owner or by the Executive Board (under the same procedures utilized for Common Elements) shall be borne by the Unit Owner of the Unit benefitted thereby.



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K. No Unit Owner shall place or store anything on the stoop, deck or screened-in porch Limited Common Element appurtenant to his Unit which would violate the rules and regulations of The Crossings at Rocky Springs, a Condominium or which would create an unsightly condition, or constitute a nuisance, nor shall such stoop, deck or screened-in porch be decorated, painted or otherwise altered, unless prior approval is obtained from the Executive Board in order to assure that such placement, storage, decorating, painting or alteration would not create an unsightly condition.

L. This Article VIII shall not be construed to prevent or prohibit a Unit Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls or conferring with business or professional associates, clients or customers, in his Unit.

M. Reasonable 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 IX

## POWERS OF THE EXECUTIVE BOARD

9.1. The Association shall be governed by an Executive Board ("Executive Board") consisting of one (1), three (3), or five (5) members. Initially, the Board shall consist of three (3) members, with the number in subsequent years to be determined by the members of the Executive Board as provided for in the Bylaws of the Association. In addition to the powers set forth in the Act and the Bylaws, the Executive Board shall have the following additional powers:

A. To appoint committees of the Board 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.

B. 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, provided any agreement with such manager or managing agent shall extend for not more than one (1) year and must be terminable by either party to such agreement for cause upon not less than ninety (90) days' written notice, except that any contract entered into by Declarant prior to the Association's control must provide that the contract may be



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terminated without cause or penalty by the Association at any time after the Association gains control upon ninety (90) days' written notice to the Managing Agent.

C. 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.

D. 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 costs 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.

E. 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.

F. To establish user charges with respect to the use of the parking spaces and other amenities. Such charges shall be billed to the Unit Owner who, or whose guest, makes use of such facilities. Nothing herein contained shall require the establishment of user charges with respect to all or any one or more of such amenities. Use of all such amenities shall be subject to the Rules and Regulations of the Executive Board.

G. To enter into leases of portions of the Common Elements. All revenues from such leases shall be deposited in the Common Expense fund.

H. In the event more than one Unit shares a common utility meter or if a portion of the Common Elements and one or more Units share a common utility meter, to determine the proper allocation of the cost of the utility service between or among the recipients of such utility service which determination shall be conclusive and binding. Any common utility meter will be converted to Unit metering as soon as the Executive Board considers such conversion to be in the best interests of the Unit Owners affected thereby.



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## ARTICLE X

## MORTGAGES

10.1. Permitted Mortgages: A Unit Owner other than the Declarant may not voluntarily encumber or subject his or its Unit to any lien, other than the lien of a Permitted Mortgage. When such a Permitted Mortgage is delivered to the Permitted Mortgagee, the Unit Owner shall simultaneously provide executed or conformed copies to the Executive Board. Upon receipt of such copy of a Permitted Mortgage, the Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the Permitted Mortgage to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Permitted Mortgagee with a Certificate of Insurance showing that the Permitted Mortgagee's name has been so added. The lien of any purported mortgage which is not a Permitted Mortgage shall not attach to or affect the Property or any part thereof or interest therein and shall be of no force and effect as and to the extent that it purports to relate thereto. The Secretary of the Executive Board shall maintain a register of such Permitted Mortgagees, showing the names and addresses of the Permitted Mortgages and the amount secured thereby.

## ARTICLE XI

## BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

11.1. Assessments: All Common Expense assessments will normally be determined once a year, but payment will be on a monthly, quarterly, semi-annual, or annual basis, as determined by the Executive Board, and shall be due and payable in advance, on the first day of each period, with the initial payment due at settlement prorated on the basis of a thirty (30) day month. The Declarant will pay the assessment allocated to all unsold Units beginning sixty (60) days after the first Unit is conveyed. Any special assessment shall be due and payable in a lump sum or in installments, in advance, on the first day of each period, as determined by the Executive Board.

11.2. 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), shall be subordinate to the lien of a Permitted Mortgage on a Unit.

11.3. Reserve: Each annual budget for assessments of Common Expenses shall include an amount reasonably considered by the Executive Board to be sufficient as a reserve for the periodic maintenance, repair and replacement of improvements to the common areas and those limited common areas that the Association is obligated to maintain and to cover any deductible amounts in the insurance policies.



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11.4. Initial Working Capital Fund: There shall be established an initial working capital fund at least equal to two (2) months' estimated common charges for each Unit, which shall be paid at the time of settlement by the purchaser of the Unit upon any transfer of a Unit. To initiate such fund, the Association shall collect from the purchaser of any Unit, at time of settlement, a non-refundable amount equal to twice the estimated monthly assessment for Common Expense of such purchaser's Unit. This payment will not be credited as an advance payment of Common Expenses. This initial working capital fund shall be used for the construction, repair or replacement of the Common Elements or to purchase, maintain or repair equipment of the Association, as determined by the Executive Board.

In addition to this initial working capital fund, the Declarant shall collect a non-refundable initiation fee of $200 from each grantee of the Declarant. This amount shall be collected at the time of transfer of the Unit from the Declarant to the Unit Owner, and shall not be credited as an advance payment of the Common Expenses. Extraordinary expenditures not originally included in the initial budget which may become necessary during the year may be charged first against such fund, as the Executive Board shall determine. In addition, the Executive Board shall have the right to segregate all or any portion of the fund for any specific replacement or contingency upon such conditions as the Executive Board deems appropriate.

11.5. Accounting: On or before the first (1st) day of February of each calendar year commencing 2003, the Executive Board shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the annual budget or assessments and leases and sales of property owned or managed by the Executive Board on behalf of the Association, and showing the net excess or deficit of income over expenditures plus reserves. Any Permitted Mortgagee may request that an audited financial statement be prepared for the preceding fiscal year. The cost of the preparation of such statement shall be borne by the mortgagee making the request.

11.6. Further 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 further assessments according to each Unit Owner's Percentage Interest in the Common Element as to General Common Expenses and according to shares of Limited Expenses allocated to Units as to Limited Expenses. Such further assessments shall be payable over such period of time as the Board may determine. The Executive Board shall serve notice of such further assessments on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessments shall become effective as determined by the Executive Board.

11.7. Late Payment Penalty: A late payment penalty of Fifteen Dollars ($15.00) shall be assessed if any regular or special assessment is not paid within five (5) days after it is due. Thereafter, a late payment penalty of Two Dollars ($2.00) per day shall be imposed for each day,

beginning on the sixth day, the assessment remains unpaid. Any delinquent Owner shall also be obligated to pay (i) all expenses of the Board, including costs and reasonable attorneys' fees, incurred in the collection of the delinquent assessments by legal proceedings or otherwise, and (ii) 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 11.2. above. Such delinquent assessments shall be a lien upon the Unit. Each assessment against a Unit shall be the personal obligation of the person/s who owned the Unit at the time the assessment became due, and shall not pass to successors in title unless the successor agrees to assume the obligation.

11.8. 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 MEMBERS 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 11 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.

11.9. Enforcement by Township: If the Association fails to maintain the Common Elements in good order, including but not limited to the tennis or basketball courts, pavilions or picnic facilities or walking and bike paths, the Township shall have the right but not the obligation to perform any necessary maintenance on the same after giving the Association thirty (30) days written notice of the intention to provide such maintenance.

11.10. Enforcement by Declarant or Township: If the Lot Owner or Association fails to maintain the Common Elements (including without limitation any tennis court, basketball court, pavilions or bituminous path) or Storm Water Management Facilities in good order, the Declarant or the Township shall have the right but not the obligation to perform any necessary maintenance on the same after giving the Association thirty (30) days written notice of the intention to provide such maintenance.

A. If such maintenance is performed by the Township on a Common Element or on Storm Water Management Facilities located within the Common Elements, the costs of such maintenance, together with a penalty of fifteen percent (15%) of the costs of such maintenance, shall be assessed to the Lot Owners in proportion to their Percentage Interest, and shall constitute a lien against the Lot or Lots. The Township shall file a notice of lien in the office of the Prothonotary of Lancaster



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County upon the individual Lot or Lots.

B. If such maintenance is performed by the Township on Storm Water Management Facilities not located in the Common Elements, the costs of maintenance, together with a penalty of fifteen percent (15%) of the costs of such maintenance, will be assessed against the individual Lot Owner, and shall constitute a lien against said Lot. The Township shall file a notice of lien in the office of the Prothonotary of Lancaster County upon the individual Lot or Lots.

C. In addition to the above paragraphs, the Declarant and the Township shall have the identical rights to enforcement of any assessment as granted to the Association for any costs assessed pursuant to this Section 11.10.

## ARTICLE XII

## LEASING

12.1. Restrictions: A Unit Owner may lease his Unit (but not less than his entire Unit) at any time and from time to time with the written approval of the Executive Board. The Executive Board may not approve a proposed lease agreement if such approval will result in either: (A) thirty percent (30%) or more of the Units in the Condominium are leased, or (B) ten percent (10%) of the Units that are leased are owned by the same person. Additionally, a lease may only be approved provided that: (1) no Unit may be leased for transient or hotel purposes or for an initial term of less than six (6) months; (2) no Unit may be leased without a written lease; and (3) the rights of any lessee of the Unit shall be subject to, and each such lessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations and a default thereunder shall constitute a default under the lease; provided, however, that the foregoing shall not impose any direct liability on any lessee of a Unit to pay any Common Expense assessments on behalf of the Owner of that Unit.

## ARTICLE XIII

## INSURANCE

13.1. Required Coverage:

A. The Executive Board, or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a General Common Expense, upon a policy of property insurance covering all the Common Elements (except those items normally excluded from coverage) as required by Section 3312 of the Act. The policy shall be in an



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amount equal to one hundred percent (100%) of the current replacement cost of the Common Elements (less a deductible deemed reasonable by the Executive Board) and shall name the Association as the named insured.

B. All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly acceded by private institutions as mortgage investors in the area in which the mortgaged premises are located.

C. The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Elements, public ways of the Property, and other areas that are under its supervision. Coverage limits shall be for at least One Million Dollars ($1,000,000.00) for bodily injury and property damage arising out of a single occurrence.

8.2. Additional Insurance: The Executive Board, or its duly authorized agent, shall maintain insurance covering the Common Elements as may be required by the Department of Housing and Urban Development, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, or the Veterans Administration.

8.3. Insurance for Units: Each Unit Owner shall maintain a policy for property insurance of the Unit as described herein

## ARTICLE XIV

## INDEMNIFICATION

14.1. Generally: The Association shall indemnify any person who was or is party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigate (other than an action by or in the right of the Executive Board or Association) by reason of the fact that he is or was a Executive Board member of officer against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Executive Board or the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Executive Board to procure a judgment in its favor by reason of the fact that he is or was a Executive Board member or an officer against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Executive Board or the Association.

To the extent that a Executive Board member or officer has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in the foregoing two paragraphs, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under the first two paragraphs of this Article shall be made by the Executive Board on behalf of the Association only as authorized in the specific case, upon a determination that indemnification of the Executive Board member or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in the first two paragraphs of this Article. Such determination shall be made (1) by the Executive Board by a majority vote of a quorum consisting of Executive Board members who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Executive Board members so directs, by independent legal counsel in a written opinion, or (3) by a vote of the Association.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Executive Board on behalf of the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Executive Board in the specific case, upon receipt of an undertaking by or on behalf of the Executive Board member or officer to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article. The sums necessary to discharge the obligations of the Association under this Article shall be Common Expenses.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Executive Board, or otherwise, both as to action in his official capacity and to action in other capacities while holding such office, and shall continue as to a person who has ceased to be a Executive Board member or an officer.



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## ARTICLE XV

## CONDEMNATION

15.1. Generally: Whenever all or part of a Unit or the Common Elements shall be taken, injured or destroyed by eminent domain, the Association shall be fully responsible to represent the Unit Owners in any proceedings, negotiations, settlements or agreements. Each Unit Owner hereby appoints the Association as its attorney-in-fact for this purpose. Any proceeds from settlement shall be paid to the Association for the benefit of the effected Unit Owners and their mortgage holders. The rights of the Unit Owners and of the condemnor shall be determined in accordance with Section 3107 of the Act.

## ARTICLE XVI

## OPTION TO CONTRACT THE CONDOMINIUM AND WITHDRAWABLE REAL ESTATE

16.1. Reservation: Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration to contract the Condominium from time to time in compliance with Section 3212 of the Act without the consent of any Unit Owner or Mortgagee. The option to contract may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by the Declarant.

## ARTICLE XVII

## ADDITIONAL REAL ESTATE

17.1. Reservation: Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration to add Additional Real Estate to the Community from time to time in compliance with Section 3211 of the Act, without the consent of any Lot Owner or Permitted Mortgagee. The option to expand may be terminated prior to such anniversary only upon the filing by Declarant of an amendment to this Declaration. Declarant expressly reserves the right to add any or all portions of the Additional Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be added, converted or withdrawn; provided, however, that the Additional Real Estate shall not exceed the area described in Exhibit B attached hereto and as shown on the Declaration Plan and that the maximum number of Units per acre within the entire Condominium Additional Real Estate cannot exceed 10. However, the maximum number of Units within any portion or phase may exceed that



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density so long as the total density of the entire Condominium including Additional Real Estate does not exceed 10 Units per acre. There are no other limitations on the option to expand.

18.2. Assurances: Declarant makes no assurances as to the location of Buildings on the Additional Real Estate. Except for recreational and other amenities as stated below, any Buildings constructed on the Additional Real Estate may be used for residential purposes. Declarant may construct or convert certain additional structures to contain recreational facilities and other amenities serving the Condominium. Declarant expressly reserves the right to create Limited Common Elements on the Additional Real Estate and to designate Common Elements therein which may be subsequently assigned as Limited Common Elements. Declarant makes no assurance as to type, size or maximum number of such Common Elements or Limited Common Elements. The allocation of Percentage Interests in the Additional Real Estate shall be computed as provided in Section 4.1 herein. All restrictions in this Declaration affecting use, occupancy and alienation of Units will apply to all Units created in the Additional Real Estate. In the event that Declarant shall not add, or adds and then subsequently withdraws, any portion of the Additional Real Estate, Declarant shall nevertheless have the right to construct all or any portion of any Building on the Additional Real Estate and operate the same without restriction, except as set forth above. Declarant makes no assurances that any Units built in the Additional Real Estate will comparable in quality, materials and style with other Structures in the Community, as to the size of Units being erected in the Additional Real Estate being compatible with other Buildings and Units in the Condominium or that the proportion of Limited Common Elements to Units created in Additional Real Estate will be approximately equal to the proportion existing within other parts of the Condominium.

## ARTICLE XIX

## MERGER OR CONSOLIDATION WITH OTHER CONDOMINIUMS

19.1. Merger or Consolidation with Other Condominiums: Declarant hereby explicitly reserves an option until the seventh ($7^{th}$) anniversary of the recording of this Declaration to merge or consolidate the Community with any one or more condominiums by recording a Supplemental Declaration pursuant to Section 3233 of the Act. The option to merge or consolidate may be terminated prior to such anniversary only upon the filing of Declarant of an amendment to this Declaration. At the time of this Declaration, there are no condominiums existing with which the Declarant may merge or consolidate with the Community. Declarant expressly reserves the right to merge or consolidate the Community with one or more other condominiums at any time, at different times, in any order, without limitation. If and when the Declarant chooses to exercise this option, the voting and Common Expense allocations of the resulting merged Community will be reallocated pursuant to the formula described in Section 4.1. The maximum number of Lots per acre within the resulting merged Community including Additional Real Estate cannot exceed 10.



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However, the maximum number of Lots within any portion or phase may exceed that density so long as the total density of the entire Community including any real property added to the Community through merger or consolidation with another condominium or condominiums and Additional Real Estate does not exceed 10 Units per acre. There are no other limitations on the option to expand.

19.2. Assurances: Declarant makes no assurances as to the location or description of real property added to the Community through merger or consolidation with another condominium. Except for recreational and other amenities as stated below, any Buildings constructed on the Additional Real Estate may be used for residential purposes. Declarant expressly reserves the right to create Limited Common Elements on the real property added to the Community through merger or consolidation and to designate Common Elements therein which may be subsequently assigned as Limited Common Elements. Declarant makes no assurance as to:

A. The type, size or maximum number of such Common Elements or Limited Common Elements;

B. The number, size, architectural style or quality of construction of any Structures existing or that may be constructed on real property added to the Community through merger or consolidation;

C. Whether any or all of the restrictions affecting the use, occupancy or alienation of Units within the Community will apply to Units created on real property added to the Community through merger or consolidation;

D. Any locations or limitations on any improvements that may be created on real property added to the Community through merger or consolidation;

E. Whether Limited Common Elements created on real property added to the Community through merger or consolidation will be of the same general types and sizes as those in the Community;

F. Whether the proportion of Limited Common Elements to Units created on real property added to the Community through merger or consolidation will be approximately equal to that present in the Community;

No assurances made by the Declarant relating to real property added to the Community through merger or consolidation with one or more condominiums apply if the Community is not merged or consolidated with any other condominium.



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## ARTICLE XX

## DECLARANT'S RIGHTS

20.1. Control:

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

B. Not later than sixty (60) days after conveyance of twenty-five (25%) of the Units to Unit Owners other than Declarant, one (33 1/3%) of the three (3) members of the Executive Board shall be elected by Unit Owners other than Declarant.

C. Not later than the earlier of (i) seven (7) years after the date of the conveyance of the first Unit, or (ii) 180 days after seventy-five percent (75%) of the Units constructed on the Property have been conveyed to Unit Owners other than Declarant, all members of the Executive Board shall resign, and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect a new five (5) member Executive Board.

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IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first above written.

BERKS CONSTRUCTION COMPANY INC.

(Asst) Secretary

By: _____
J. Lavern Horning, President
Berks Construction Company Inc.

MILLPORT DEVELOPERS, LP.
a Pennsylvania limited partnership
MILLPORT DEVELOPERS, LLC
general partner
VICTOR KICERA,
Sole Member of Millport Developers, LLC

_____
Victor Kicera

FJV:ASM:slb: 218084.13 ( 15286.005 ) 12/4/02



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COMMONWEALTH OF PENNSYLVANIA )
) SS:
COUNTY OF LANCASTER )

On this, the 11th day of December, 2002, before me the undersigned individuals, personally appeared VICTOR KICERA, who is the sole member of MILLPORT DEVELOPERS, LLC, which is the general partner of MILLPORT DEVELOPERS, LP., and that they as such Member, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing as partners of such member.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Betty A. Graham
Notary Public

NOTARIAL SEAL
BETTY A. GRAHAM, NOTARY PUBLIC
MANHEIM TWP., COUNTY OF LANCASTER
MY COMMISSION EXPIRES MARCH 30, 2006

COMMONWEALTH OF PENNSYLVANIA )
) SS:
COUNTY OF LANCASTER )

On this, the 11th day of December, 2002, before me the undersigned individuals, personally appeared J. LAVERN HORNING, who acknowledged themselves to be the PRESIDENT of Berks Construction Company Inc., and that being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Betty A. Graham
Notary Public

NOTARIAL SEAL
BETTY A. GRAHAM, NOTARY PUBLIC
MANHEIM TWP., COUNTY OF LANCASTER
MY COMMISSION EXPIRES MARCH 30, 2006

**EXHIBIT A**

**PROPERTY**

Millport Developers
West Lampeter Township, Lancaster County
Pennsylvania
LOT 1 Block 'A' - 13.187 Acres

ALL THAT CERTAIN tract of land situate on the northerly side of Millport Road, SR 2036 in West Lampeter Township, Lancaster County, Pennsylvania, known as Lot 1 Block 'A' as shown on Final Plan for "The Crossings at Rocky Springs", Phase 1, prepared by RGS Associates, Drawing Number 2000356-009, Sheet 5 and 6 of 37, dated February 8, 2001, last revised April 1, 2002, recorded in the Office for Recording of Deeds, in and for Lancaster County, Pennsylvania, in Subdivision Plan Book J-211 page 138, and being more fully described as follows:

BEGINNING at the centerline intersection of Lampeter Road, SR 3028 and Millport Road, SR 2036, Thence along the centerline of Millport Road, South 80° 41' 39" West, a distance of 761.49 feet to a point, a corner of Lot 2 Block 'A' of same plan, Thence along the westerly property line of Lot 2 Block 'A', North 90° 18' 21" West a distance of 25.00 feet to a point on the Proposed Right-of-Way Line, 25 feet from the existing centerline, the TRUE PLACE OF BEGINNING; Thence along the Proposed Right-of-Way Line of Millport Road, South 80° 41' 39" West a distance of 651.26 feet to a point on line of land of John S. and Lydia K. King, recorded in Subdivision Plan Book J-97 page 29; Thence along the same the following two courses and distances:
1.) North 08° 35' 30" West a distance of 183.65 feet to a 1" Iron Pipe;
2.) South 82° 19' 30" West a distance of 170.13 feet to a point on line of land of Robert I. and Toby C. Stanley, recorded in Subdivision Plan Book J-118 page 33; Thence along the same North 08° 43' 14" West a distance of 404.22 feet to a steel rebar, found, a corner of land of Riverbend Limited Partnership; Thence along the same North 08° 06' 05" West a distance of 106.27 feet to a point, a corner of the Remaining Lands of Millport Developers; Thence along the same, the following two courses and distances:
1.) North 81° 53' 55" East a distance of 836.55 feet to a point,
2.) South 35° 58' 15" East a distance of 136.76 feet to a point, a corner of Lot 7 Block 'A' of same recorded plan; Thence along the same and a portion of a 60 feet wide Access Easement, South 09° 18' 21" East a distance of 180.00 feet to a point on the southerly portion of the Access Easement, as shown; Thence along the Access Easement,
North 80° 41' 39" East a distance of 34.87 feet to a point at the current terminus of a portion of the Access Easement; Thence along the Access Easement and Lot 6 Block 'A' of same plan, South 09° 18' 21" East a distance of 142.62 feet to a point, a corner of Lot 2, Block 'A'; Thence along the same the following four courses and distances:
1.) South 80° 41' 39" West a distance of 39.58 feet to a steel rebar;

2.) South 09° 18' 21" East a distance of 20.00 feet to a steel rebar;
3.) South 80° 41' 39" West a distance of 80.42 feet to a point;
4.) South 09° 18' 21" East a distance of 218.00 feet to a point, the TRUE PLACE OF BEGINNING.

Containing: 13.187 Acres

## EXHIBIT B

## ADDITIONAL REAL ESTATE

The Crossings at Rocky Springs - Phase 1
Remaining Lands, Block "A"
West Lampeter Township
Lancaster County, PA

All that certain lot or tract of land shown as Block "A", Remaining Lands on Final Plan for The Crossings at Rocky Springs - Phase 1, prepared by RGS Associates, Project No. 2000356-009, Sheets 3, 4, 5, and 6 of 36, and recorded in the Office for Recording of Deeds, in and for Lancaster County, PA, in Subdivision Plan Book J-211, Page 183, and situate to the westerly side of Lampeter Road, SR 3028, in the Township of West Lampeter, County of Lancaster, Commonwealth of Pennsylvania, and being more fully bounded and described as follows:

Beginning at a point in Lampeter Road, SR 3028, a corner of Lot No. 1, as shown in Final Plan for Fannie R. Risser Estate, recorded in abovementioned Office for Recording of Deeds in Subdivision Plan Book 33, Page 35; thence in SR 3028, S 25° 36' 48" E, a distance of 206.44 feet to a point, a corner of Parcel "B"; thence along said Parcel "B", S 79° 53' 46" W, a distance of 164.74 feet to a point marked by a rebar set, the last mentioned line having passed over a rebar set in the westerly line of SR 3028 at a distance of 46.31 feet from the commencement thereof; thence along the same, along lands of Lois Anne Risser, and along Parcel "A", respectively, S 12° 38' 14" E, a distance of 289.85 feet to a point marked by a rebar set; thence along said Parcel "A", N 79° 53' 46" E, a distance of 184.55 feet to a point in said SR 3028, the last mentioned line having passed over a rebar set in the westerly line of SR 3028 at a distance of 50.92 feet from the terminus thereof; thence in said SR 3028, S 10° 03' 20" E, a distance of 341.90 feet to a point, a corner of Lot No. 3, Block "A"; thence along said Lot No. 3, S 79° 24' 15" W, a distance of 353.59 feet to a point, a corner of Lot No. 7, Block "A"; thence along said Lot No. 7, S 80° 41' 39" W, a distance of 258.00 feet to a point, a corner of Lot No. 1, Block "A"; thence along said Lot No. 1 the two following courses and distances: (1) N 35° 58' 15" W, a distance of 136.76 feet to a point, (2) S 81° 53' 55" W, a distance of 836.55 feet to a point in line of Lot No. 1 of Conestoga Village, recorded in aforementioned Office for Recording of Deeds in Subdivision Plan Book J-162, Page 98; thence along Lot No. 1 of Conestoga Village, N 08° 06' 05" W, a distance of 819.34 feet to a point marked by a 1 inch iron pin found, a corner of Lot No. 9 of Conestoga Landing - Phase 2, as recorded in abovementioned Office for Recording of Deeds in Subdivision Plan Book J-161, Page 10, said point also being a corner in the municipal boundary line between Township of West Lampeter and City of Lancaster; thence along said Lot No. 9, along Lots No. 8, 7, 6, 5, 4, 3, 2, and 1 of Conestoga Landing - Phase 2, and along lands of Robert J. Martin Estate, respectively, N 80° 49' 10" E, a distance of 1049.25 feet to a point; a corner of lands of Charlotte M. Martin, the last mentioned line also having been partly along said municipal boundary line; thence along lands of Charlotte M. Martin the two following courses and distances: (1) S 27° 23' 33" E, a distance of

27.39 feet to a point marked by a rebar found, (2) N 80° 23' 45" E, a distance of 154.58 feet to a point marked by an iron pin found, a corner of aforesaid Lot No. 1 of Fannie R. Risser Estate; thence along Lot No. 1 of Fannie R. Risser Estate the two following courses and distances: (1) S 27° 07' 33' E, a distance of 100.00 feet to a point marked by a rebar found, (2) N 80° 22' 46" E, a distance of 150.00 feet to a point, the Place of Beginning, the last mentioned line having passed over an iron pin found at a distance of 107.99 feet from the commencement thereof.

Containing 27.90 acres.

The above-described tract includes a leased area of 0.621 acres, as shown on Final Plan for PA. Cellular Telephone Corp. - Lot No. 1, recorded in said Office for Recording of Deeds in Subdivision Plan Book J-191, Page 24.

Together with and subject to rights of record.

All as more fully shown on abovementioned Final Plan for The Crossings at Rocky Springs - Phase 1.

**BLAKINGER, BYLER & THOMAS, P.C.**

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(1958-1985)

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WRITER'S DIRECT DIAL#
(717) 509-7277

EMAIL: asm@bbt-law.com

March 27, 2002

Bill Rittenhouse
Sowers Realty Services
2961 Spangler Road
Manheim, PA 17545

Re: Crossings at Rocky Springs

Dear Bill:

Enclosed are the Bylaws from the Commercial Condominium Association and the Residential Planned Community Association. I expect that all of the appropriate documents will be signed and recorded in the very near future. Please call with any questions.

Very truly yours,

BLAKINGER, BYLER & THOMAS, P.C.

Aaron S. Marines

ASM:lmm
Enclosures
20615.002/256666

Bylaws of

The Crossings at Rocky Springs
Condominium Association, Inc.

* * * * *

INCORPORATED UNDER THE LAWS

OF THE

COMMONWEALTH OF PENNSYLVANIA

* * * * *

LAW OFFICES

OF

BLAKINGER, BYLER & THOMAS, P.C.
28 Penn Square
Lancaster, PA 17603
(717) 299-1100

# BYLAWS OF
# THE CROSSINGS AT ROCKY SPRINGS
# CONDOMINIUM ASSOCIATION, INC.

## ARTICLE I - OFFICES

Section 1.01. These Bylaws provide for the governance of The Crossings at Rocky Springs Condominium Association, Inc. (the "Association") pursuant to the requirements of Section 3306 of the Uniform Condominium Act (the "Act"), 68 Pa.C.S. § 3101 et. seq. The Real Estate located in the Township of West Lampeter, County of Lancaster, Commonwealth of Pennsylvania, and more particularly described in the Declaration, (hereinafter the "Property") has been submitted to the provisions of the Act by the recording of the Declaration by the Recorder of Deeds in and for Lancaster County in Record Book ____, Page____, as amended.

Section 1.02. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

Section 1.04. The registered office of the Association shall be or at such other place as may be designated from time to time by the Executive Board.

Section 1.04. The Association shall have the responsibility of administering the Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Community and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration.

## ARTICLE II - SEAL

Section 2.01. The Association seal shall have inscribed thereon the name of the Association, the year of its organization and the words "Corporate Seal, Pennsylvania."

## ARTICLE III - MEMBERS

Section 3.01. Any Unit Owner, Declarant, or designee thereof who owns a Class A or Class B share in the Community shall be a Member of the Association.

Section 3.02. The annual meetings of the Association shall be held on or before April 1 of each year, or at such other date as may be set by the Executive Board.

Section 3.03. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may

be designated by the Executive Board.

Section 3.04. The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by any group of Class A or Class B shareholders entitled to cast at least twenty-five percent (25%) of the total Class A and Class B votes in the Association. The special meeting shall be held within forty-five (45) days after receipt by the Secretary of said resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure, such meeting shall be held within fifteen (15) days after receipt by the Secretary of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.05. The Secretary shall mail to each Unit Owner a notice of each annual or regularly scheduled meeting of the Association at least ten (10) but not more than sixty (60) days, and of each special meeting of the Association at least ten (10) but not more than forty-five (45) days, prior to such meeting, stating the time, place and purpose thereof.

Section 3.06. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners, the Declarant or its designee owning twenty percent (20%) or more of the Units at the commencement of a meeting shall constitute a quorum at all meetings of the Association. If a meeting is adjourned pursuant to Section 3.08, a quorum at such second meeting shall be deemed to be present if an equal or greater number of Members is present at the re-convened meeting.

Section 3.07. Each Unit Owner and the Declarant shall have the number of votes, and shall be entitled to vote in the manner prescribed in the Declaration. Each Class A and Class B vote shall be counted equally. Where the ownership of a Unit is in more than one Person, the Person who shall be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Unit shall be the Person owning such Unit who is present. If more than one Person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 5310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the vote allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

Section 3.08. A vote may be cast in person or by proxy. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of written notice of revocation from the grantors of the proxy. No proxy shall be

valid for a period in excess of one (1) year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

Section 3.09. If at any meeting of the Association a quorum is not present, Members entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called.

Section 3.10. In voting for members of the Executive Board, the Person receiving the greatest number of votes shall be elected to the Executive Board. If more than one vacancy in the Executive Board is to be filled by the Association, the Person receiving the greatest number of votes shall be elected to fill the vacancy with the longest remaining term, with the Person receiving the second highest number of votes elected to fill the vacancy with the second longest remaining term.

Section 3.11. In voting for members of the Executive Board, each member shall be entitled to as many votes as equals the number of votes he is ordinarily entitled to multiplied by the number of directors to be elected, and may cast all of such votes for any one director or may distribute them among the number to be voted for, or any two or more of them, as he may see fit, provided, however, that all votes must be cast in whole numbers and not fractions thereof. This right, when exercised, is termed "cumulative voting".

Section 3.12. In all other matters requiring the vote of the Members of the Association, the vote of the Majority of Members present at any meeting in which a quorum is present shall be the action of the Association, unless a greater percentage is required by the Act, or prescribed elsewhere in these Bylaws.

## ARTICLE IV - BOARD MEMBERS

Section 4.01. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of three (3) Persons, all of whom shall be Unit Owners or designees of the Declarant.

Section 4.02. The Executive Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Act, the Declaration or by these Bylaws delegated solely to the Association.

Section 4.03. Initially, members of the Executive Board will be appointed by the Declarant. The Declarant retains the exclusive right to appoint members of the Executive Board for five (5) years after the date of the conveyance of the first Unit, or four (4) months after seventy-five percent (75%) of the Units are sold and settled, whichever

**Replace the current Section 3.11 in the Bylaws with:**

Section 3.11: In any given election where one or more seats on the Executive Board is being filled, each Member will have one vote for each seat to be filled; provided, however that no Member may cast more than one vote for any one candidate.

**Replace the current Section 4.01 in the Bylaws with:**

Section 4.01: The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of not less than three and not more than five Persons, all of whom shall be Unit Owners.

**Replace the current Section 4.06 in the Bylaws with:**

Section 4.06: At all times, the term of office of three members of the Executive Board shall be fixed at three (3) years. If, at any time, there are more than three members on the Executive Board, the terms of office of any members in excess of three members shall be fixed at one (1) year. If the board consists of only three members then the term of office of one member shall expire each year. If at any annual election, more than one individual is willing to be placed on the ballot for election to the Executive Board, then the individual receiving the most votes shall serve a three year term and the individual or individuals receiving the next highest or next two highest (as the case may be) number of votes shall serve one year terms. In case of a tie, the outcome shall be determined by lottery.

Recorded copies will be forwarded to members under a separate mailing.

occurs earliest.

Section 4.04. On a day within sixty (60) days after conveyance of twenty-five percent (25%) of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which two (2) members of the Executive Board designated by the Declarant shall resign, and the owners of Class A shares, excluding the Declarant as a Unit Owner, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning. The successor receiving the highest number of votes shall serve for three (3) years and the successor receiving the next highest number of votes shall serve for two (2) years.

Section 4.05. On a day within sixty (60) days preceding the date by which all Declarant-appointed members of the Executive Board must resign pursuant to the Declaration, a special meeting of the Association shall be held at which all of the remaining members of the Executive Board designated by the Declarant shall resign, and the owners of Class A shares, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board to act in place and stead of those resigning. If more than one vacancy is to be so filled, the successor receiving the highest number of votes shall serve for three (3) years, the next highest number of votes for two (2) years and the next highest number of votes for one (1) year.

Section 4.06. The term of office of members of the Executive Board shall be fixed at three (3) years, except that the Declarant shall designate that one of the initial members of the Executive Board shall serve a term of one year and one of the initial members of the Executive Board shall serve a term of two years. It is the intention of these bylaws that the term of one member of the Executive Board shall expire every year.

Section 4.07. Regular meetings of the Executive Board shall be held on such dates as may be fixed from time to time by the Executive Board. The date, time, and location of every regular meeting of the Board shall be scheduled at the previous meeting of the Board. A special meeting of the Board may be called at any time by the President. Such request must be delivered to the Secretary, who must schedule the requested meeting within 30 days of receiving the request.

Section 4.08. No notice shall be required for any regular meeting of the Board. Written or personal notice of every special meeting of the Executive Board shall be given to each Board member not less than five (5) nor more than twenty (20) days prior to the day named for the meeting. Notice of a special meeting shall include the purpose for which the meeting has been called.

Section 4.09. A majority of the Executive Board members in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Board members present at a meeting at which a quorum is present shall be the acts of the Executive Board.

Section 4.10. One or more Executive Board Members may participate in a

meeting of the Board by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in Person at such meeting.

Section 4.11. Any action which may be taken at a meeting of the Board members may be taken without a meeting, if consents in writing setting forth the action so taken shall be signed by all of the Board members in office and shall be filed with the Secretary of the Association.

Section 4.12. The Executive Board may, by resolution adopted by a majority of the Board members in office, establish one or more committees to consist of one or more Board members of the Association. Any such committee, to the extent provided in the resolution of the Executive Board or in the bylaws, shall have and may exercise all of the powers and authority of the Executive Board, except ,unless otherwise provided in these bylaws, that no such committee shall have any power or authority as to the following:

(a) The submission of any action required by statute or these bylaws to be submitted by the Executive Board for approval.

(b) The filling of vacancies in the Executive Board.

(c) The adoption, amendment or repeal of the bylaws.

(d) The amendment or repeal of any resolution of the Board.

(e) Action on matters committed by the bylaws or resolution of the Executive Board to another committee of the Board.

Section 4.13. The Board members shall serve without pay. The Board may from time to time make regulations providing for the payment of travel expenses and other expenses incurred by the Board members to attend meetings of the Board or otherwise perform their duties as Board members.

Section 4.14. Any Board member or Board members appointed by Declarant may be removed from office without assigning any cause by the Declarant. In case any one or more Board members are so removed, new Board members may be appointed at the same time by the Declarant.

Section 4.15. The Executive Board may declare vacant the office of a Board member if he or she is declared of unsound mind by an order of court or is convicted of a felony, or if within sixty days after notice of his or her selection, he or she does not accept such office either in writing or by attending a meeting of the Executive Board.

Section 4.16. Any Board member not appointed by the Declarant may be removed, with or without cause, by a vote of two-thirds (2/3) of those Members owning Class A shares, including the Declarant if it owns any Unit or Units. Such removal may only take place at a special meeting called for the purpose of removing a specifically named Board member.

Section 4.17. A Board member of the Association shall stand in a fiduciary relation to the Association and shall perform his or her duties as a Board member, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with such care, including reasonable inquiry, skill and diligence, as a Person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

(a) One or more officers or employees of the Association whom the Board member reasonably believes to be reliable and competent in the matters presented.

(b) Counsel, public accountants, or other Persons as to matters which the Board member reasonably believes to be within the professional or expert competence of such Person.

(c) A committee of the Board upon which he or she does not serve, as to matters within its designated authority, which the Board member reasonably believes to merit confidence.

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

Section 4.18. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any firm or association in which one or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction, or because his or their votes are counted, if either of the following are true:

(a) The fact that a Board member is also a director or officer or has such financial interest in another firm or association is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes

of such Executive Board member of members; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Any Executive Board member holding such director or officer position or having such financial interest in another firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board.

Section 4.19. In discharging the duties of their respective positions, the Executive Board, committees of the Board and individual Board members may, in considering the best interests of the Association, consider the effects of any action upon employees, upon suppliers and customers of the Association and upon communities in which offices or other establishments of the Association are located, and all other pertinent factors. The consideration of these factors shall not constitute a violation of the fiduciary duties of Board members.

Section 4.20. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Board member or any failure to take any action shall be presumed to be in the best interests of the Association. A Board member of the Association shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(a) The Board member has breached or failed to perform the duties of his or her office under this section; and

(b) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to:

(1) The responsibility or liability of a Board member pursuant to any criminal statute; or (2) The liability of a Board member for payment of taxes pursuant to local, State or Federal law. The provision of this Section are intended to exempt the Board members from liability for monetary damages to the maximum extent permitted under any Pennsylvania law now or hereafter in effect.

Section 4.21. Notwithstanding any provision of these Bylaws to the contrary, the Executive Board may not act on behalf of the association to amend the Declaration, to terminate the planned community, or to elect members of the Board, except that the Board may fill vacancies in the Board as provided in Section 6.01.

## ARTICLE V - OFFICERS

Section 5.01. The officers of the Association shall be chosen by the Executive Board and shall be a President, Vice-President, Secretary, Treasurer and any such other officers and assistant officers as the needs of the Association may require. All officers shall be natural Persons of full age. The President and Vice-President shall be members of the Executive Board. All officers shall hold their offices for a term of one and until their successors are elected and shall qualify. All officers shall have such authority and shall perform such duties as are provided by the bylaws and as shall from time to time be prescribed by the Executive Board.

Section 5.02. Any officer or agent may be removed by the Executive Board whenever in its judgment the best interests of the Association will be served thereby.

Section 5.03. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Executive Board; and have all of the general powers and duties which are incident to the office of president of a Association organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.04. The Vice-President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he or she may be required to do from time to time.

Section 5.05. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board; have charge of such books and papers as the Executive Board may direct; maintain a register setting forth the place to which all notices to Unit Owners and Permitted Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of secretary of a Association organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any Person or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to Sections 5315(g), 5407(a) and 5407(b) of the Act. The Secretary shall prepare, execute, certify, and record amendments to the Declaration on behalf of the Association, as provided for in the Declaration and these Bylaws.

Section 5.06. The Treasurer shall have the responsibility for the safekeeping of Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; and be responsible for the deposit of all monies in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board; and

in general, perform all the duties incident to the office of treasurer of a Association organized under the laws of Pennsylvania.

Section 5.07. The Executive Board shall select and employ a Managing Agent, who shall be its principal agent in the management of the Association and the Community. The Managing Agent shall have such qualifications and such general and specific duties set forth in these Bylaws or as the Board shall assign. Such duties shall include the administration of the day-to-day operation of the business of the Association, and may also include such duties as may be delegated from time to time by the Executive Board, specifically including the carrying out of the policies and resolutions adopted by the Executive Board relating to the operations of the Association. The Managing Agent shall make periodic reports directly to the Executive Board as requested by the Board.

(a) The Managing Agent shall be a bona fide business enterprise which manages residential communities with common areas and facilities. Such firm shall have experience in real estate community management and shall employ Persons possessing a high level of competence in the technical skills necessary to properly manage the Community.

(b) The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

(1) to adopt the annual budget, any amendment thereto, and to assess any Common Expenses, General Common Expenses or Limited Common Expenses;

(2) to adopt, repeal or amend Rules and Regulations;

(3) to designate signatories on Association bank accounts;

(4) to borrow money on behalf of the Association;

(5) to acquire and mortgage Units;

(6) to designate Reserved Common Elements;

(7) to allocate Limited Common Elements.

(c) The Executive Board shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Executive Board:

(1) the cash basis method of accounting shall be employed;

(2) two or more Persons shall be responsible for handling cash to maintain adequate financial control procedures;

(3) cash accounts of the Association shall not be commingled with any other accounts;

(4) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or other providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;

(5) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Executive Board; and

(6) a monthly financial report shall be prepared for the Executive Board disclosing:

(i) all income and disbursements activity for the preceding month;

(ii) the status of all accounts in an "actual" as compared to "projected" (budget) format; and

(iii) any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves of five percent (5%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts).

Section 5.08. Subject to the provisions of Section 5305 of the Act, during the period when Persons designated by the Declarant constitute a majority of the Executive Board, any contract entered into with a Managing Agent must provide that it may be terminated without cause or penalty by the Association at any time after the Association gains control upon ninety (90) days' written notice to the Managing Agent. Any contract entered into by the Executive Board after the Declarant transfers control to the Association must be terminable by either party to such agreement for cause upon not less than ninety (90) days' written notice. The term of any management contract may not exceed one (1) year.

Section 5.09. The Executive Board may choose and employ such other officers and agents, including but not limited to assistant Treasurers and assistant Secretaries, to assist in carrying out the prescribed responsibilities and duties of the officers and agents of the Association after consultation with the President of the Association. Such additional officers and agents may be non-Board members.

## ARTICLE VI - VACANCIES

Section 6.01. Vacancies in the Executive Board caused by the death, removal, or resignation of any Board members shall be filled for the remainder of the departed Board member's term by the body by whom the Board member was appointed or elected, in accordance with Sections 4.03, 4.04, and 4.05 herein; provided that prior to such appointment, the Board may fill such vacancy on an interim basis until such appointment is made. Each Board member so selected shall be a Board member until his or her successor is appointed.

Section 6.02. If the office of any officer or agent becomes vacant for any reason, the Executive Board may choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred.

## ARTICLE VII - BOOKS AND RECORDS

Section 7.01. The Executive Board shall keep current copies of the Declaration, Bylaws and other rules concerning the Community as well as books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Community, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such copies, books and vouchers evidencing the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or their attorneys, and by Permitted Mortgagees during general business hours on working days at the times and in the manner set and announced by the Executive Board or under other reasonable circumstances.

Section 7.02. All books and records shall be kept on a cash basis. Until the Community consists of fifty (50) Units or more, the annual financial statement need not be audited. However, if any Permitted Mortgagee requests an audited statement prepared it may do so at its own expense. If the Community ever consists of fifty (50) or more Units, then if a Permitted Mortgagee submits a written request for an audited statement for the preceding fiscal year, then the Executive Board will provide one audited by an independent accountant retained by the Executive Board who shall not be a resident of the Community or a Unit Owner. The cost of such audit shall be a General Common Expense.

## ARTICLE VIII - TRANSACTION OF BUSINESS

Section 8.01 Whenever the lawful activities of the Association involve among other things the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Association, and in no case shall be divided or distributed in any manner whatsoever among the Board members or officers of the Association.

Section 8.02. The Executive Board shall notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding thirty (30) days.

Section 8.03. The Executive Board may borrow money on behalf of the Association when required in connection with any one instance relating to the operation, care, upkeep, maintenance and development of the Common Elements and/or Limited Common Elements; provided, however, that the affirmative vote of a majority of Members, where both Class A and Class B votes are counted and treated equally, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of Two Hundred Thousand Dollars ($200,000.00).

Section 8.04. If any sum borrowed by the Executive Board on behalf of the Association pursuant to the authority contained in this Section 8.03 is not repaid by the Association, a Unit Owner who pays to the creditor such proportion thereof as his Percentage Interest bears to the total Percentage Interest in the Community shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right against such Unit Owner's Unit.

Section 8.05. There shall be obtained fidelity bonds for all officers, members of the Executive Board and employees of the Association, including without limitation the Managing Agent, handling or responsible for Community funds. The premiums on such bonds shall constitute a General Common Expense.

Section 8.06. All checks or demands for money and notes of the Association shall be signed by the President, or such officer or agent, including the Managing Agent, as the Executive Board may from time to time designate.

## ARTICLE IX - NOTICES

Section 9.01. Whenever written notice is required to be given to any Person, it may be given to such Person, either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram, charges prepaid, or by facsimile transmission, or by E-mail, to his or her or address (or to his or her facsimile number), supplied to the Association for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the Person entitled thereto when deposited in the United States mail or with a telegraph office for delivery to such Person, or when dispatched by facsimile transmission or e-mail. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these bylaws. When a special meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 9.02. Whenever any written notice is required to be given under the provisions of the statute or the Articles or bylaws of this Association, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting. Attendance of a Person at any meeting shall constitute a waiver of notice of such meeting, except where a Person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

## ARTICLE X - COMMON EXPENSES; GENERAL COMMON EXPENSES AND LIMITED COMMON EXPENSES

Section 10.01. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board, provided, however, that the first fiscal year may begin anytime and end at the end of the calendar year.

Section 10.02. Preparation and Approval of Budget.

(a) On or before the first day of April of each year, the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount of Common Expenses, as defined by the Act, the Declaration, these Bylaws or a resolution of the Association. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The budget shall segregate General Common Expenses and Limited Common Expenses.

(b) On or before the fifth day of April, the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owner's assessment for General Common Expenses and Limited Common Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted.

(c) The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be conditions precedent to the effectiveness of any budget.

Section 10.03. The Executive Board shall calculate the monthly assessments for General Common Expenses against each Unit by multiplying (a) the total amount of the Common Expenses set forth in the budget adopted by the Executive Board for the fiscal year in question by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in each fiscal year.

Section 10.04. The Executive Board shall calculate the monthly assessments for Limited Common Expenses against each Unit obligated to pay Limited Common Expenses, as set forth in the Declaration, by multiplying (a) the total amount of the estimated funds required for Limited Common Expenses set forth in the budget adopted by the Executive Board for the fiscal year in question by (b) the share of Limited Common Expenses (expressed in decimal form) allocated to each such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year.

Section 10.05. All assessments for General Common Expenses and Limited Common Expenses shall be deemed to have been adopted and assessed on a monthly basis, and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month, and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration.

Section 10.06. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

Section 10.07. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within fifteen (15) days following a written request therefor to the Executive Board or Managing Agent and the Unit conveyed shall not be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, that, subject

to Section 5315(b)(2) of the Act, each Mortgagee who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such Mortgagee comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

Section 10.08. Within ninety days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit (who has registered an address with the Secretary) an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to General Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interest and shall be payable in one or more monthly assessments, as the Executive Board may determine.

Section 10.09. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, insurance deductibles, contingencies and replacements as provided for in the Declaration or the Act. If the reserves are deemed to be inadequate for any reason, including nonpayment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expenses and/or Limited Common Expenses, as provided for in Sections 10.04 and 10.05.

Section 10.10. The Executive Board shall serve notice on all Unit Owners of any further assessments as permitted or required by the Act, the Declaration and these Bylaws on all Unit Owners by a statement in writing giving the amount and reasons therefore, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in this Article.

Section 10.11. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided.

Section 10.12. Anything herein to the contrary notwithstanding, the Association, by majority vote of all Class A and Class B votes in the Association, may reject any budget or capital expenditure approved by the Executive Board, within thirty (30) days after approval by the Executive Board.

Section 10.13. The Execution Board or the Managing Agent, at the request

of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

## ARTICLE XI - AMENDMENTS

Section 11.01. Except as otherwise provided in the Act or these Bylaws, these Bylaws may be modified or amended only by vote of a majority of the total Class A and Class B votes of the Members of the Association present at a special meeting called for the purpose of amending or modifying these Bylaws.

Section 11.02. A proposal to amend or modify these bylaws may be submitted by the Declarant, the Executive Board, or by a written petition, submitted to the Secretary and signed by at least 10% of all Members.

Section 11.03. Any proposed amendment to these Bylaws that is submitted for consideration by Unit Owners (but not if submitted by the Declarant or the Executive Board) shall be accompanied by an opinion from independent legal counsel procured at the Unit Owners' expense to the effect that the proposed amendment does not violate the Act; any Federal National Mortgage Association, Federal Home Loan Mortgage Association, Federal Housing Administration or Veteran's Administration rule, regulation or requirement with respect to Community projects; nor any rule, regulation or ordinance of any local, state or federal governmental body or agency. HUD/VA has the right to veto amendments as long as the Declarant is in control of the Board of the homeowner's association.

Section 11.04. Until such date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to the Declaration, Sections 3.02, 3.03, 3.04, 3.05, 4.01, 4.03, 4.04, 4.05, 4.14, 4.16, and 11.04 may not be amended without the consent in writing of the Declarant.

Section 11.05. If any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the then current requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or deeds of trust on units in Community projects, including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, the Federal Housing Administration or the Veteran's Administration, the Executive Board may, at any time and from time to time, effect such amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Community, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed

amendment to the Bylaws is permitted by the terms of the Act.

Section 11.06. These Bylaws contain provisions concerning various rights and interests of Permitted Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Permitted Mortgagees on which they may rely in making loans secured by such Mortgages. Accordingly, no material amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of permitted Mortgagees shall be adopted without the prior written consent of at least fifty-one percent (51%) of all such Permitted Mortgagees.

## ARTICLE XII - MISCELLANEOUS PROVISIONS

Section 12.01. In the event that this Association be dissolved, all assets remaining after all debts and other obligations of the Association have been discharged shall be disbursed to the individual Unit Owners, including the Declarant if it owns one or more Units. Such disbursement shall be in proportion to the Percentage Interest held by each individual Unit Owner.

## ARTICLE XIII - LIMITED LIABILITY AND INDEMNIFICATION

Section 13.01. Every Person who was or is a party, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative, or investigative, including but not limited to any action by or in the name of the Association, by reason of the fact that he or she or a Person of whom he or she is a legal representative is or was a Board member, officer, employee or committee member of the Association, or is or was serving at the request of the Association as a Board member or officer of another Association, as a member of any committee of the Board, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent permitted or authorized by the law of the Commonwealth of Pennsylvania, as the same exists or may hereafter be amended, against all expenses, liability and loss (including attorney's fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him or her in connection therewith. The individual shall have no right to reimbursement, however, in relation to matters as to which the individual has been adjudged liable to the Association for misconduct in the performance of his or her duties, or was derelict in the performance of his or her duty as Board member, officer or employee by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of his or her office or employment. The right to indemnity for expenses shall also apply to the expenses of suits which are compromised or settled if the court having jurisdiction of the matter shall approve such settlement. Determinations as to the right of indemnification, or any questions pertaining to indemnification, shall be determined by a majority vote of all disinterested Board members, even if such number does not constitute a quorum.

Section 13.02. Such right of indemnification shall not be exclusive of any other right which the Board members, officers, or representatives of the Association may have or hereafter acquire under any provisions of law, the Articles of Incorporation agreements, insurance policies, vote of disinterested Board members or otherwise, both as to action in their respective official capacities and as to action in another capacity while serving as a Board member, officer or representative. The Association may purchase insurance policies, enter into specific agreements with Board members or officers, establish a security fund, or take such additional actions as the Executive Board deems appropriate to carry out its obligation of indemnification.

Section 13.03. The rights of a Board member or officer to indemnification and advance of expenses granted under this Article are in the nature of a contract between the Association and each Board member or officer, and no amendment or repeal of any provision of this Article of the bylaws shall alter, to the detriment of such Board member or officer, the rights of such Person to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal or termination. Such rights shall continue as to a Person who has ceased to be a Board member or officer and shall inure to the benefit of the heirs, executors and administrators of such Person.

These bylaws, consisting of nineteen (19) pages, have been adopted at an annual or special meeting of the Executive Board duly called or by written consent of the Executive Board on _____, 20____.

Dated: _____, 20____

_____, Secretary

ASM:ASM: 255097.1 ( 15286.005 ) 3/14/02

# PUBLIC OFFERING STATEMENT

The Crossings at Rocky Springs, A Condominium
Purchaser Should Read This Document
Carefully for His Own Protection

| | |
|---|---|
| NAME OF CONDOMINIUM: | The Crossings at Rocky Springs, A Condominium |
| LOCATION OF CONDOMINIUM: | Township of West Lampeter<br>County of Lancaster<br>Commonwealth of Pennsylvania |
| NAME OF DEVELOPER: | Berks Construction Company |
| ADDRESS OF DEVELOPER: | |
| EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: | _____, 2002 |

**Pennsylvania law requires that the original seller of condominium Lots disclose fully and accurately the characteristics of the condominium Lots being offered for sale. This Public Offering Statement is the means by which such disclosure is to be made.**

IMPORTANT NOTICE:

A. UNDER THE LAW A PURCHASER OF A CONDOMINIUM LOT IS AFFORDED A FIFTEEN (15) DAY PERIOD AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT OR AN AMENDMENT THERETO WHICH MATERIALLY AND ADVERSELY AFFECTS THE RIGHTS OR OBLIGATIONS OF THE PURCHASER DURING WHICH HE OR SHE MAY CANCEL AN EXECUTED CONTRACT OF SALE, BEFORE CONVEYANCE, WITHOUT PENALTY AND OBTAIN FULL REFUND OF ANY SUMS DEPOSITED IN CONNECTION WITH THE CONTRACT. THE FIFTEEN DAY PERIOD BEGINS RUNNING ON THE DATE OF DELIVERY OF A PUBLIC OFFERING STATEMENT. IF THE PURCHASER ELECTS TO CANCEL, HE OR SHE MUST DELIVER NOTICE OF CANCELLATION TO THE DEVELOPER BY HAND (IN WHICH EVIDENCE OF RECEIPT SHOULD BE OBTAINED) OR BY UNITED STATES MAIL, RETURN RECEIPT REQUESTED.

B. IF THE DEVELOPER FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS THERETO TO A PURCHASER BEFORE CONVEYING A LOT, THAT PURCHASER MAY RECOVER FROM THE DEVELOPER, IN ADDITION TO ANY OTHER RELIEF, AN AMOUNT EQUAL TO THE GREATER OF 5% OF THE SALE PRICE OF THE LOT UP TO $2,000, OR ACTUAL DAMAGES.

C. IF THIS PUBLIC OFFERING STATEMENT IS AMENDED IN A MANNER THAT MATERIALLY AND ADVERSELY EFFECTS THE RIGHTS OF PURCHASERS, THE DEVELOPER WILL PROMPTLY PROVIDE THE AMENDED PUBLIC OFFERING STATEMENT TO THE PURCHASER. IF A PURCHASER RECEIVES SUCH AN AMENDED PUBLIC

OFFERING STATEMENT BEFORE CONVEYANCE OF THE LOT, THE PURCHASER MAY CANCEL THE CONTRACT WITHIN SEVEN (7) DAYS OF RECEIVING THE AMENDED PUBLIC OFFERING STATEMENT. IF THE PURCHASER ELECTS TO CANCEL, HE OR SHE MUST DELIVER NOTICE OF CANCELLATION TO THE DEVELOPER BY HAND (IN WHICH EVIDENCE OF RECEIPT SHOULD BE OBTAINED) OR BY UNITED STATES MAIL, RETURN RECEIPT REQUESTED.

# THE CROSSINGS AT ROCKY SPRINGS,
# A CONDOMINIUM
# PUBLIC OFFERING STATEMENT

## INTRODUCTION

Berks Construction Company ("Developer"), presents its proposal for condominium ownership of certain real estate located in Lancaster County, Pennsylvania, in the West Lampeter Township area, located at the intersection of Lampeter and Millport Roads. The land and structures will constitute a condominium known as The Crossings at Rocky Springs, A Condominium ("Condominium"). Lots within the Condominium will be offered by the Developer for sale to the public. Lots will be brought into the Condominium in multiple phases. The Developer may bring additional land into the Condominium, in one or more phases and at different times. Lots and structures may be developed on the additional real estate at different times.

This Public Offering Statement consists of two parts, a narrative portion and an Exhibit portion. The Exhibit includes legal documents which are required for the creation and operation of the Condominium, and a projected budget for the Condominium. 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.

## CONDOMINIUMS IN GENERAL

The term "condominium" refers to a form of property ownership. Property which is owned as a condominium contains two distinct types of property -- Lots and Common Elements. Lots are portions of a condominium which are set aside for individual ownership. In the case of a residential condominium such as The Crossings at Rocky Springs, A Condominium, the Lots are the lot and buildings located thereon which may be used only by the Lot Owner. The term "Unit", as defined in the Pennsylvania Uniform Condominium Act, 68 Pa.C.S. § 3101, shall mean a "Lot" for the purposes of this Public Offering Statement. Units will be owned in fee simple absolute. Common Elements, or Common Areas, on the other hand, are all portions of the condominium which are not included within the Units. Limited Common Elements are Common Elements whose expenses for maintenance and repair are assigned to a specific Unit or Units. The Common Elements constitute the land and those portions of the structures which support, enclose or service the Units. The Developer will transfer the Common Elements and Limited Common Elements to the Lot Owners' Association. In this Condominium, the "Percentage Interest" is each Lot Owner's share of Common Expense liability. Each Lot Owner has both the right to participate in the control and management of all the Common Elements through the Lot Owners' Association, as well as the obligation to pay his share ("Percentage Interest") of the normal expenses of operating and maintaining all of the Common Elements and Limited Common Elements.

Each Unit will be taxed separately for real estate purposes. No Lot Owner is liable for the payment of real estate taxes on any other Unit. Similarly, no Unit is subject to the lien of a mortgage on any other Unit.

## DESCRIPTION OF THE CONDOMINIUM

The Condominium is located on an approximately 28 acres, more or less, site owned by the Developer located in West Lampeter Township located at the intersection of Lampeter and Millport Roads ("Property").

Developer plans to improve the Property with single-family residential dwellings, townhomes, duplexes on the property in multiple phases. The maximum number of Units per acre within the entire Condominium cannot exceed that as specified on the recorded declaration plan for The Crossings at Rocky Springs, A Condominium, recorded contemporaneously with the Declaration in the Lancaster County Recorder of Deeds Office.

The Declaration is the legal document which creates the Condominium (See "Text of Declaration" with Exhibits in Binder). The Declaration becomes effective when recorded in the Office of the Recorder of Deeds of Lancaster County. The Declaration establishes the boundaries of and Percentage Interest in the Common Elements and Limited Common Elements appertaining to each Unit. In addition, the Declaration establishes special property rights within the Condominium, such as easements (see below). The Covenants is another legal document that describes more detailed conditions on the use of the Property. The Covenants provides rules to make sure all building in the Condominium is harmonious with the rest of the Property.

When applicable, the Developer's right to convert and contract the Condominium is created by the Declaration. Conversion or contraction is accomplished by the Developer's amendment of the Declaration. Other amendments of the Declaration may be accomplished by a sixty-seven (67%) vote of the Lot Owners, except that certain amendments will require the approval of institutional lenders holding first mortgages on Condominium Units.

With the exception of the commercial space referenced above, the Units in the Condominium are restricted to residential use except that the Developer may use any unsold Units as models or as sales offices; other reasonable, temporary nonresidential uses may be permitted by the Executive Board.

The Plans and Specifications prepared by RGS Associates will not be changed so as to materially adversely affect any purchaser. The Building Plans and Specifications are available for inspection at the Developer's office. The Developer reserves the right to substitute materials, fixtures, appliances and equipment of substantially equal quality for any of those set forth in the Building Plans and Specifications.

## INDIVIDUAL UNITS

Generally speaking, each Unit is a lot as depicted on the Declaration Plan.

## COMMON ELEMENTS

The Common Elements are owned by the Lot Owners' Association, constitute all of the Condominium other than the Units and Special Recreation Areas, and are depicted on the Declaration Plan as Common Open Space and Limited Common Elements.

The Percentage Interest, that is, share of Common Expense Liability, assigned to each Unit is calculated by dividing the number one by the number of Units that have been declared (i.e., if six Units have

been declared, the calculation of Percentage Interest would be as follows: 1 ÷ 6 = .167). Limited Common Elements are also owned by the Lot Owners' Association. However, the expense for maintenance and repair of Limited Common Elements is assigned to specific Unit or Units.

## ADDITIONAL UNITS

The Developer may create additional Units in the Condominium. The Developer has reserved the right to add Additional Real Estate to the Condominium, as depicted on the declaration plan. The Developer has reserved the right to subdivide any Unit into up to four (4) separate Units, which may be performed in accordance with the provisions of the Declaration.

## WITHDRAWABLE REAL ESTATE

The Developer has reserved the right to withdraw certain portions of the real estate in the Condominium. This Withdrawable Real Estate is described in the Declaration and the Plans recorded with the Recorder of Deeds for Lancaster County. If any portion of the Condominium is withdrawn pursuant to the Declaration, the Percentage Interest of each Unit Owner will remain the same if there are no Units on the withdrawn real estate, but the amount of the Common Elements and/or the Common Expense may decrease. If Units have been created on any real estate that is withdrawn from the Condominium, the Percentage Interest of each Unit Owner in the remaining Common Elements will increase.

## THE DEVELOPER

The name of the Developer is Berks Construction Company.

The Developer's attorney, with respect to the development of the Condominium, is Frank J. Vargish, III, of Blakinger, Byler & Thomas, P.C., 28 Penn Square, Lancaster, Pennsylvania 17603.

## TERMS OF THE OFFERING

Offering prices for all Units in the Condominium have been tentatively established at this time and will be subject to change at any time prior to execution of Purchase Agreements for such Units. Different Purchasers may pay different prices for similar Units at the sole discretion of the Developer. All prices may be changed without notice at any time, at the sole discretion of the Developer. Of course, prices in executed Purchase Contracts cannot be changed except as set forth in such Contracts.

Any deposit made in connection with the purchase of a Unit will be held in an escrow account in accordance with the provisions of Section 3408 of the Act and will be returned to the Purchaser if the Purchaser cancels the contract pursuant to Section 3406 of the Act.

A Purchaser may apply for financing from any lender or may pay all cash at settlement.

At settlement, the Purchaser will be required to pay, in addition to the purchase price of the Condominium Unit, the settlement costs which are identified in the Purchase Agreement.

In addition, the Purchaser will be required to make a non-refundable initial capital contribution to the Unit Owners Association equal to twice the estimated monthly assessment for General Common Expenses of his Condominium Unit. The general purpose of the contribution is to provide a reserve for

future replacement of capital items and will not be used for operating expenses. This payment is not to be credited as an advance payment of General Common Expenses.

## ENCUMBRANCES

The Condominium will be subject to the normal utility easements for water, sewer, electric, cable TV, gas and telephone lines. In addition, the Condominium will be subject to certain easements created by the Declaration and by the Pennsylvania Uniform Condominium Act. These easements are more fully described in the Act and the Declaration, and summarized herein as follows:

(1) Easement to facilitate expansion. In the event that the Developer expands the Condominium, an easement across the existing Phase or Phases will exist to the extent necessary to construct the improvements on the expansion Phase.

(2) Easement to facilitate sales. The Developer may use any unsold Units in the Condominium as models or as sales offices and may place advertising signs anywhere within the Condominium.

(3) Easement for ingress and egress. Each Lot Owner shall have the unrestricted right of ingress and egress to his or her Unit and a right of access to the Common Elements, subject to rules, regulations and restrictions established by the Lot Owners' Association. This right shall be perpetual.

(4) Easement for support. Each Lot Owner has the benefit of a restriction upon any action of a neighboring Lot Owner, or of the Lot Owners' Association with respect to the Common Elements, which would endanger the stability or safety of his Unit.

(5) Easement in the event of contractibility. In the event the Developer withdraws real estate from the Condominium, an easement across the existing Phase or Phases will exist to the extent necessary to permit access to the Withdrawable Real Estate by anyone using or owning the Withdrawable Real Estate.

(6) Easement for access to premises. All Units are conveyed together with and subject to an easement for ingress and egress along the entire length of all private access drives depicted on the land development plan recorded for the Condominium.

(7) Easement for set back lines. Building setback lines are depicted upon the Declaration Plan and shall not be modified except upon written approval in accordance with The Crossings at Rocky Springs, A Condominium Declaration and subject to obtaining all governmental approvals necessary for the proposed improvements.

(8) Easement to correct drainage and perform maintenance. The Developer and the Association reserve an easement on, over and under those portions of the Common Elements not located within a Building for the purposes of providing maintenance in accordance with the Declaration and the Act and to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance.

The Developer is required by law to release any liens on any Condominium Unit sold, prior to conveyance of the Unit. The Condominium Units will be conveyed free of any liens other than those placed on the Unit by the Purchaser.

## RESTRICTIONS ON TRANSFER

There are no restrictions on resale of a Unit by the Lot Owner, except those imposed by the Pennsylvania Uniform Condominium Act.

## LOT OWNERS' ASSOCIATION

The Lot Owners' Association is the organization responsible for governing the Condominium. Each Lot Owner is a member of the Association. There are two classes of votes in the Association as more fully described in the Declaration and Bylaws for the Association. The Lot Owners' Association shall own the Common Elements and Limited Common Elements after they are transferred from the Developer.

All of the normal operations of the Lot Owners' Association will be accomplished under the direction of an Executive Board consisting of at least three (3) members. The Lot Owners will participate directly in the important policy decisions of the Association.

Initially, members of the Executive Board will be appointed by the Developer. The purpose of the Developer's retaining control of the Executive Board in the early stages of the Condominium's existence is to ensure the stability of the Association and to administer the Condominium 's affairs until the new Lot Owners become familiar with the project. The Developer may retain control of the Executive Board for seven (7) years following the conveyance of the first Lot or sixty (60) days after seventy-five percent (75%) of the Lots are sold and settled, whichever occurs earliest. After termination of the Developer's control of the Executive Board, members will be elected by the Lot Owners' Association.

The Executive Board elects the officers of the Lot Owners' Association. The officers are a President, Vice-President, Secretary, Treasurer and any other officers the Board may deem necessary. The Secretary and Treasurer need not be members of the Board.

The operation of the Lot Owners' Association is governed by the Bylaws. In addition to provisions for an Executive Board, Managing Agent and officers as discussed herein, the Bylaws provide for annual and special meetings, common expense assessments, insurance, restrictions on the use of Units and Common Elements, and numerous other matters affecting the occupancy and operation of the Condominium. A copy of the Bylaws is an Exhibit to this Public Offering Statement (See "Bylaws" in Binder).

The Bylaws may be amended by agreement of a majority of the Lot Owners, except that no amendment which affects the Developer's rights may be made without the Developer's approval.

The Lot Owners' Association will be solely responsible for ownership, maintenance and upkeep of the Common Elements and Limited Common Elements and other maintenance, including lawn care and snow removal, as described in the Declaration.

## MANAGEMENT AGREEMENT

The Executive Board will employ a Managing Agent 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 Managing Agent will be a professional organization having experience in the operation of condominium associations. The Managing Agent will bring to the task of managing the Lot Owners' Association two qualifications which the Executive Board does not possess. The Managing Agent will have expertise in handling the complex functions of the Lot Owners' Association and will be able to devote itself to running the Association on a full-time basis. In a Condominium, the contributions of professional management are vital to the success of the Lot Owners' Association.

The Developer intends to enter into a Management Agreement with Sowers Property Management. The Management Agreement is for an initial term of one (1) year beginning on the date of recording of the Declaration. The Agreement shall automatically renew for additional terms of one (1) year each unless canceled by either party no later than thirty (30) days prior to the expiration of any term. After the entire Executive Board has been elected by the Lot Owners, the Executive Board has the right to terminate the Management Agreement without cause upon not less than ninety (90) days' notice to the Managing Agent.

## FINANCIAL MATTERS

As indicated above in the Lot Owners' Association section, Lot Owners will be assessed to obtain the funds necessary to meet the budget of the Lot Owners' Association. The amount of the assessment will normally be determined once a year, but payment will be on a monthly basis. On the first day of each month, each Lot Owner will pay the monthly installment.

The amount assessed against each Condominium Unit will be based on the Percentage Interest appertaining to the Unit. Each Lot Owner will be responsible for payment of that percentage of the total annual budget which is equal to the Percentage Interest appertaining to his Unit. For example, if a Unit has 1% of the Percentage Interests, the Lot Owner will be assessed an amount equal to 1% of the total annual budget. The Developer will pay full Common Expense assessments on all unsold Units in the Condominium in accordance with the Declaration.

The budget will cover all anticipated Common Expenses for the upcoming fiscal year. The budget will also include whatever amount the Executive Board considers necessary as an adequate reserve to provide for unforeseen contingencies, insurance deductibles, working capital and repair or replacement of Common Elements.

The Developer has prepared a budget for the first year of the Condominium's operation. A copy of the budget is an Exhibit to this Public Offering Statement (See "Budget" in Binder). The budget figures are, of course, estimates and the Developer cannot be certain that sufficient funds have been budgeted to cover all Common Expenses that may be incurred. During the initial year the Developer will contribute funds as shown on the budget to assist in payment of operating costs which are directly attributable to the insufficiencies created by the initial low number of Units dedicated. The Developer's obligation to make a contribution to operating expenses will terminate after the first year. 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.

Normal Common Expenses will be apportioned among all Lot Owners. Also, if any additions, alterations or improvements to the Common Elements are requested by certain Lot Owners and result in a benefit to only those Lot Owners, the cost of the addition, alteration or improvement may be charged on an individual basis to the benefitted Lot Owners.

A Lot Owner must pay directly all of the costs of maintenance and repair for his own Unit.

All of the amounts assessed against a Unit give rise to a lien on that Unit. The Lot Owner cannot dispose of his Unit free of the lien until the lien is satisfied by payment of the assessments secured by the lien. The Lot Owners' Association may obtain payment of past due assessments by foreclosure of the lien (resulting in a forced sale of the Unit) or by suing the Lot Owner.

## INSURANCE

The Executive Board may obtain insurance to protect the Lot Owners' Association and, to a certain limited extent, the Lot Owners as individuals. Any insurance coverage obtained will be provided in accordance with the Uniform Condominium Act and Declaration.

The Declaration requires that each Lot Owner obtain insurance coverage on his personal property and liability exposure.

## TAXES

Real property taxes are levied separately against individual Units and each Lot Owner will be responsible for the payment of the taxes on their own Unit. The assessed value of any unsold Condominium Units is presently unknown since the County Tax Assessor cannot assess Units until construction is complete.

## GOVERNMENT PERMITS

There are no outstanding uncured notices of violations of governmental requirements.

## ENVIRONMENTAL

The Developer has no knowledge as to the existence of hazardous conditions, including contamination affecting the Condominium site by hazardous substances, hazardous waste or the like, or the existence of underground storage tanks for petroleum products or other hazardous substances on the Property.

The Pennsylvania Uniform Condominium Act requires the Developer to provide the address and telephone number of the regional offices of the Department of Environmental Resources and the United States Environmental Protection Agency where information concerning environmental conditions affecting the condominium site may be obtained (if any such information does, in fact, exist). Those addresses and telephone numbers are as follows:

Pennsylvania Department of Environmental Resources
South Central Regional Office
1 Ararat Boulevard
Harrisburg, PA 17110
(717) 657-4585

United States Environmental Protection Agency
Philadelphia Regional Office
841 Chestnut Street

Philadelphia, PA 19107-4431
(215) 597-9800

## ZONING, HOUSING AND BUILDING CODES

The Condominium site is zoned R-_____ Residential in accordance with the West Lampeter Township Zoning Ordinance.

The Land Development Plan was approved on_____

## WARRANTIES

Each Lot Owner will receive the statutory warranty covering his Unit for two (2) years from the date of settlement and covering the Common Elements for two (2) years from the date the first Unit is conveyed (or, in the case of any Convertible Real Estate or portion thereof, at the time the first Unit therein is conveyed) or from completion of a Common Element, whichever is later.

No action to enforce the statutory warranty shall be commenced later than six years after the warranty begins.

The Developer will transfer to the Lot Owner at settlement all manufacturers' warranties on appliances sold with the Unit.

## INSPECTION OF THE UNIT

The Purchaser may inspect his Unit and note any defects. The Developer will correct any legitimate defects prior to settlement. If the Purchaser fails to inspect his Unit, he must accept his Unit in an "as is" condition.

## PENDING LITIGATION

As of the effective date of this Public Offering Statement, the Developer knows of no litigation, pending or threatened, which could have a material adverse affect on the Condominium or the Developer's ability to convey clear title to the Units.

## GENERAL INFORMATION

Any information or data regarding The Crossings at Rocky Springs, A Condominium not presented in this Public Offering Statement or contained in the Exhibits must not be relied upon. No person has been authorized by the Developer to make any representation not expressly contained herein. This presentation may not be changed or modified orally.

The Developer reserves the right to change the terms of this Public Offering Statement as they affect potential Purchasers not then under contract; provided, however, that any such change shall not affect the substance of the Public Offering Statement with respect to prior Purchasers or Purchasers under contract, nor shall such change affect the Percentage Interests in the Common Elements.