

**PUBLIC OFFERING STATEMENT**  
**FOR**  
**SHERWOOD POND**  
**A PLANNED COMMUNITY**

{J1796759.1}

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

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PLANNED COMMUNITY: SHERWOOD POND, a Planned  
Community

LOCATION OF PLANNED COMMUNITY: Township of Peters, County of Washington,  
Commonwealth of Pennsylvania

NAME AND ADDRESS OF DECLARANT: **Crossings Development, LLC**  
a Pennsylvania Limited Liability company  
1158 Dutilh Road  
Mars, Pa 16046

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: January 1, 2018

This Public Offering Statement is given in compliance with Section 5402 of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. § 5101 et seq. (the “Act”).

**IMPORTANT NOTICE:**

- A. UNDER THE LAW A PURCHASER OF A PLANNED COMMUNITY LOT IS AFFORDED A SEVEN-DAY PERIOD AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT OR AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT MATERIALLY AND ADVERSELY AFFECTS THE RIGHTS OR OBLIGATIONS OF THE PURCHASER, DURING WHICH THE PURCHASER, BEFORE CONVEYANCE, MAY CANCEL AN EXECUTED CONTRACT OF SALE WITHOUT PENALTY AND OBTAIN A FULL REFUND OF ANY SUMS DEPOSITED IN CONNECTION WITH THE CONTRACT. THE SEVEN-DAY PERIOD BEGINS RUNNING ON THE DATE OF DELIVERY OF A PUBLIC OFFERING STATEMENT OR SUCH MATERIAL AMENDMENT. IF THE PURCHASER ELECTS TO CANCEL, THE PURCHASER MUST DELIVER NOTICE OF CANCELLATION TO THE DECLARANT BY HAND (IN WHICH CASE EVIDENCE OF RECEIPT SHOULD BE OBTAINED) OR BY THE UNITED STATES MAIL, POSTAGE PRE-PAID, ADDRESSED TO THE DECLARANT.**
- B. IF THE DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT TO A PURCHASER BEFORE CONVEYING A LOT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT, 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. A MINOR OMISSION OR ERROR IN THE PUBLIC OFFERING STATEMENT OR AN AMENDMENT THERETO THAT IS NOT WILLFUL SHALL ENTITLE THE PURCHASER TO RECOVER ONLY ACTUAL DAMAGES, IF ANY.**
- C. IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN SEVEN DAYS BEFORE SIGNING A CONTRACT OF SALE, THE PURCHASER CANNOT CANCEL THE CONTRACT.**

TABLE OF EXHIBITS

EXHIBIT

DOCUMENT

1	Declaration of Planned Community
2	Bylaws
3	Initial Rules and Regulations
4	Sample Budget for Owners' Association for 2018

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

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

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

Oral representations cannot be relied upon as correctly stating the representations of **CROSSINGS DEVELOPMENT, LLC**, a Pennsylvania limited liability company (hereinafter referred to as the "Declarant"). Refer to this Public Offering Statement and its Exhibits for correct representations.

**SHERWOOD POND, a Planned Community**

**PUBLIC OFFERING STATEMENT**

**ARTICLE I**

**INTRODUCTION**

Crossings Development, LLC hereafter the "Declarant," or the "Developer," present their proposal for Lot ownership of certain real estate located in the Township. The real estate will constitute a Planned Community known as **SHERWOOD POND**, a Planned Community, (the "Planned Community"). The Developer anticipates selling all Lots in the Planned Community to Eddy Homes ("Eddy"). Eddy is currently the exclusive Approved Builder for the Planned Community. The Developer will transfer Lots to Eddy who will then enter into agreements of sale with individual purchasers for the construction of a home. The completed home will be sold to the purchaser who will become a Lot Owner. Each Lot Owner is a member of SHERWOOD POND HOMEOWNERS ASSOCIATION (the "Association").

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

## ARTICLE II

### PLANNED COMMUNITIES IN GENERAL

The term "**planned community**" refers to a form of real estate ownership. A planned community is real estate with respect to which a person, by virtue of ownership of an interest in any portion of the real estate, is or may become obligated, by covenant, easement, or agreement imposed on the owner's interest, to pay an amount for insurance, real property taxes, maintenance, repair, improvement, management, administration, or regulation of any part of the real estate other than the portion or interest owned solely by the person. As used herein, the term "Planned Community" shall mean Sherwood Pond the Planned Community created by the Declaration as hereinafter described.

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

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

**Common Elements** include: (i) "**Common Facilities**" which is any real estate within the Planned Community, owned by the Association, and maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association; (ii) "**Limited Common Elements**" are those portions of real estate within the Planned Community and owned by the Association, but designated for use by the Owner(s) of one (1) or more, but fewer than all Lots, to be maintained, improved, repaired, replaced, regulated, managed, insured, or controlled by the Owner or Owners whose Lot is appurtenant to such Limited Common Elements; and (iii) "**Controlled Facilities**" which is any real estate within the planned community, whether or not part of a Lot, that is not a

Common Facility but is maintained, improved, repaired, replaced, regulated, managed, insured, or controlled by the Association. All Lot Owners within the Planned Community are required to pay on a pro-rata basis the expenses of the Common Facilities and Controlled Facilities. Some Lot Owners who benefit from Limited Common Elements may also have to pay “Limited Common Expenses”.

### **ARTICLE III**

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

##### **PROPERTY AND LOTS**

**Description of the Planned Community.** The Declaration, a copy of which is attached as **Exhibit "1"** to this Public Offering Statement, is the legal document that creates the Planned Community. The Declaration was recorded in the County Recorder's Office on January 23, 2018 at Instrument No. 201801726. The Declaration establishes the boundaries of the Planned Community. In addition, the Declaration establishes special property rights within the Planned Community, such as Common Elements, comprised of Common Facilities and Controlled Facilities, and easements (see below), as well as the obligations of the individual Lot Owners with respect to such property rights. Incorporated into the Declaration is the recorded Plan known as SHERWOOD POND, recorded in the County Recorder's Office, on August 8, 2017 at Instrument No. 201719826. The Declaration may be amended from time to time (the "Plats and Plans"). The Lots are shown on the Declaration with their respective assigned Lot designation numbers, as well as, when appropriate, labels on the various portions of the Planned Community property indicating the Common Elements or Open Spaces.



As of the effective date hereof, the Planned Community property will initially consist of fifty-four (54) Lots, which are owned by the Developer, and which will be included in the Plan. The Lots are numbered from 1 to 54 as shown on the Plan. It is presently contemplated that the Planned Community will consist of one phase, the Common Facilities will consist of, but are not limited to, the open spaces, storm drainage, detention, and wetlands easements, storm water management systems, entrance signs, and entrance monument, as shown on the Plan, as well as streets, until dedicated to the Township. Single family homes will be constructed on the Lots.

Generally, amendments to the Declaration may be accomplished by a percentage vote of the Lot Owners on the basis of one vote per Lot.

The Lots in the Planned Community are restricted to residential use except that the Declarant and the Developer may use any unsold Lots as models, sales offices, or construction offices. Other reasonable, temporary nonresidential uses may be permitted by the Executive Board.

**ARTICLE IV**  
**CONSTRUCTION**

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

<b>YEAR</b>	<b>IMPROVEMENTS</b>
<b>2017-2018</b>	<b>Infrastructure, improvements to common elements, utilities, and 54 Lots</b>

It is estimated that the installation of all infrastructure and utilities will be completed March, 2018. (Not including construction of residential dwellings). The above schedule is merely a projection and is subject to a number of variables beyond the Declarant's control, such as the pace of sales activity and construction delays, which could accelerate or slow down the projected construction schedule. The residential dwellings are to be constructed by Approved Builders, as that term is defined in the Declaration.

**ARTICLE V**  
**CONVERTIBLE/WITHDRAWABLE REAL ESTATE**

Declarant anticipates that the Planned Community will be constructed in a single phase of fifty-four (54) Lots. The Planned Community is a flexible planned community as defined by the Act and Declarant has reserved the right for a period of 10 years to convert and/or withdraw real estate within and from the Planned Community. This means that open spaces may be converted

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into Lots, Lots may be converted into open space, Lots may be sub-divided into one or more Lots, and/or some or all of the real estate may be withdrawn from the community. Any such conversion or withdraw of real estate will need to be consistent with zoning and municipal requirements. The maximum number of Lots which may be created in such additional real estate shall be two (2) Lots per acre.

Should any real estate be converted or withdrawn from the Planned Community, the Association will continue to be responsible for the management and maintenance of the Common Elements. Expenses for any additional Common Elements will become Common Expenses of the Community and each Lot Owner will be required to pay an allocated portion of this expense. The Allocated Interest of Owners may adjust downward if additional Lots are added by subdividing Lots or it may adjust upward if real estate is withdrawn from the Planned Community.

The Percentage Interest in the Association appurtenant to each Lot, the relative voting strength in the Association appurtenant to each Lot, and the share of Common Expense assessments appurtenant to each Lot in the Convertible/Withdrawable Real Estate is based upon a formula of "A" equals 100 divided by "B," with "A" equal to the interest in the Association, relative voting strength and/or share of Common Expense assessments appurtenant to each Lot and "B" equal to the number of total Lots created both originally and following any conversion involving the Convertible/Withdrawable Real Estate. Any Lot created by conversion or subdivision will be limited to residential use. Declarant and Builder make no other assurances with respect to the Convertible/Withdrawable Real Estate.

**ARTICLE VI**

**RECREATIONAL FACILITIES**

Although no recreation facilities are currently anticipated, recreational facilities may be constructed within the open spaces, or elsewhere as determined feasible by the Declarant or the Association. Costs to construct and/or maintain such facilities shall be Common Expenses.

**ARTICLE VII**

**LOTS FOR INVESTMENT PURPOSES**

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

**ARTICLE VIII**

**MASTER ASSOCIATION AND CONSOLIDATION**

The Declarant has not reserved rights to make the Planned Community part of a master association or to consolidate the Planned Community with another planned community (ies).

**ARTICLE IX**

**PLANNED COMMUNITY ASSOCIATION**

SHERWOOD POND HOMEOWNERS ASSOCIATION is the association responsible for the governing of the Planned Community. Each Lot Owner is automatically a member of the Association when the Lot Owner purchases his or her Lot. Each Lot, including Lots owned by the Declarant, affords the Lot Owner one (1) vote in Association matters.

All the normal operations of the Association will be accomplished under the direction of the directors on the Executive Board. All members of the Executive Board can either be Lot Owners or individuals who are designees of the Declarant.

The Executive Board will either act on its own, or employ a third-party management company 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 management by the Declarant may be terminated by the Association within ninety (90) days of the transfer of Declarant control of the Association as hereinafter described.

Initially, the three (3) members of the Executive Board will be appointed by the Declarant. The purpose of the Declarant retaining control of the Executive Board in the early stages of the Planned Community's existence is to ensure the stability of the Association and to administer the Planned Community's affairs until the new Lot Owners become familiar with the project. Declarant may retain control of the Association from the date of the first conveyance of a Lot to a person other than Declarant for a period not exceeding seven (7) years; or one hundred eighty (180) days after the conveyance of seventy-five percent (75%) of the Lots, whichever event first occurs.

No later than sixty (60) days after the conveyance of twenty-five percent (25%) of the total number of Lots to Lot Owners other than Declarant, one of the members of the Executive Board shall be elected by Lot Owners other than Declarant. Further, no later than sixty (60) days after the conveyance of fifty percent (50%) of the total number of Lots to Lot Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Executive Board shall be elected by Lot Owners other than Declarant.

The Executive Board elects the officers of the Association. The officers are a President, Vice President, Secretary, Treasurer, and any other officers that the members of the Executive

Board may deem necessary. The President and Vice President must be members of the Executive Board.

The operation of the Association is governed by the **Bylaws**. In addition to provisions for the Executive Board, and officers as discussed above, the Bylaws provide for annual and special meetings, common expense assessments, insurance, restrictions on the use of Lots and Common Elements, and numerous other matters affecting the occupancy and operation of the Planned Community. A copy of the **Bylaws** is attached as **Exhibit "2"** to this Public Offering Statement.

After the termination of the period of Declarant control in accordance of Article XI of the Declaration, the Bylaws may be amended by majority of the Lot Owners as provided in Article VII of the Bylaws.

**Initial Rules and Regulations**, attached as **Exhibit "3"** to this Public Offering Statement, have been adopted by the Executive Board governing the imposition of fines for violation of the provisions of the Declaration, Bylaws, and Rules and Regulations. Purchasers are advised to review the Rules and Regulations as indicated restrictions may be of significance to Individual Purchasers.

## **ARTICLE X**

### **ASSOCIATION MAINTENANCE**

Maintenance Responsibility. In general, the Association shall maintain and keep in good repair the Common Elements as required by the Declaration. The Association shall be responsible for the maintenance of the Common Element open space, storm drainage, detention,

and wetlands easements, storm water management systems, entrance signs, and entrance monument(s).

It is presently contemplated that all road rights-of-way will be dedicated to, and accepted by, the Township for purposes of ownership and maintenance. The Association shall also be responsible for the maintenance, repair, and snow and ice removal from streets until such time as the streets are dedicated to the Township.

Further, sanitary sewage from the Planned Community is proposed to connect into the interceptor which is owned and maintained by the Township Municipal Authority.

In the event that the Declarant elects to permit the construction of a recreational area upon any of the open spaces or elsewhere, the Association shall be responsible for maintenance, repair, and replacement of any such improvements.

Otherwise, the repair, maintenance, and replacement of Lots and all improvements located on a Lot shall be the responsibility of the Owner. In particular, all storm sewers outside of the street right of way, functioning as roof drain collectors, shall be maintained by the individual Owner to whose Lot such collectors are appurtenant.

## **ARTICLE XI**

### **INSURANCE**

The Executive Board will maintain insurance primarily to protect the Association. The Association and Lot Owners will be insured against liability arising from ownership or use of the Common Elements. This coverage will not insure Lot Owners against liability arising from an accident or injury occurring within a Lot or liability arising from the act or negligence of a Lot Owner. The initial limits of liability shall be at least \$1,000,000.00 for death or personal injury

to any one person, \$1,000,000.00 for death or personal injury in any single occurrence, and \$1,000,000.00 for property damage in any single occurrence.

**EACH LOT OWNER MUST MAINTAIN HIS OR HER OWN LIABILITY INSURANCE FOR HIS LOT. SUCH COVERAGE IS NOT PROVIDED BY THE ASSOCIATION. EACH LOT OWNER HAS THE RESPONSIBILITY OF MAINTAINING SUCH INSURANCE COVERAGES AGAINST FIRE AND OTHER HAZARDS THAT MAY CAUSE DAMAGE TO THE IMPROVEMENTS LOCATED ON THE LOT.**

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

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

## **ARTICLE XII**

### **TAXES**

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



### **ARTICLE XIII**

#### **EASEMENTS, LIENS, AND ENCUMBRANCES ON TITLE**

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

- a. An easement in favor of the Declarant, Developer, and any Approved Builders creating a perpetual right of access and easement to the neighborhood.
- b. An easement in favor of the Declarant, Developer, and any Approved Builder for the purpose of maintaining and correcting the drainage of surface water.
- c. An easement in favor of the Declarant, Developer, and any Approved Builder for the development and construction of the improvements in the Planned Community.
- d. An easement in favor of each Lot Owner for the use and enjoyment of the Common Elements.
- e. An easement in favor of the Declarant, Developer, and any Approved Builder, and the Association for the reconstruction improvement, repair, or maintenance of the Common Elements and Controlled Facilities.
- f. An easement in favor of Lot Owners and the Association to the extent that any Lot or Common Element encroaches on any other Lot or Common Element.
- g. An easement in favor of Declarant (and other parties, as may be designated by Declarant), Developer, and any Approved Builder for development of the Planned Community as shown on the Plan, for all purposes relating to the construction, development, leasing, and sale

of improvements including the movement and storage of building materials and equipment, conducting of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directions and promotional signs.

**Liens and Encumbrances.**

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

b. Coal, oil, gas, methane, and all mineral rights have either been severed from the surface interest or are reserved and are not included in the Planned Community.

**ARTICLE XIV**

**FINANCING**

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

Financing may be available to qualified applicants through the Approved Builder or its affiliated companies and/or other commercial lenders working through Approved Builder's sales office. Prospective purchasers should inquire about financing terms. The Approved Builder specifically reserves the right to change the terms and conditions or discontinue any financing

program at any time without prior notice.

Purchasers may obtain financing from any source they choose subject to the terms and conditions of the Agreement of Sale. Each purchaser is cautioned that a final determination as to the availability of a loan, interest rates, down payments and other loan terms cannot be made until such time as a valid purchase contract exists and the purchaser has been qualified by his or her lender for financing.

#### **ARTICLE XV**

#### **RESTRICTIONS ON TRANSFER AND LEASING**

There are no restrictions on the resale or leasing of a Lot by the Lot Owner. Purchasers are advised, however, that certain Rules and Regulations applicable to the Planned Community may restrict the use of Lots. Purchases should become familiar with such Rules and Regulations prior to purchasing a Lot.

#### **ARTICLE XVI**

#### **OTHER USE RESTRICTIONS**

No part of any Lot shall be used for any purpose other than housing and the related common purposes for which the Lot was designed. Each Lot shall be used only as a single-family residence. If zoning regulations permit professional activities to be conducted within the Lots, application may be made by a Lot Owner to the Executive Board for approval to commence such newly permitted use of his Lot. Each such application shall be considered by the Executive Board on an individual basis. The Executive Board may charge a \$100 fee to review such applications. Once the Executive Board has given its approval to a particular use of a Lot for a particular Lot Owner, it may not revoke such approval so long as the nature and scope

of the approved use remains unchanged. No Lot Owner shall permit his Lot to be used or occupied for any purpose prohibited by the Declaration, the Bylaws, or the Act. Please see Article VIII of the Declaration for the balance of the restrictions to which the portions of the Planned Community are subject.

## **ARTICLE XVII**

### **ZONING, HOUSING, AND BUILDING CODES**

The Planned Community is zoned **R-2** having Patio Homes as a conditional use under the Zoning Ordinance of the Township. The Planned Community is in compliance with all applicable restrictions. There are no outstanding notices of uncured violations of building code or other municipal regulations. The only government approval and permit required by the Township for the use and occupancy of the Planned Community is an occupancy permit. Lots must comply with any and all applicable tree requirements as set forth in Ordinances of the Township, the Declaration, and/or the Plan.

## **ARTICLE XVIII**

### **WARRANTIES**

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

The term "Approved Builder" shall mean a construction contractor, other than the Declarant, for which the Declarant, or Declarant's designee, has provided written approval regarding the construction of improvements upon one or more of the Lots. Eddy is the Exclusive

Approved Builder for the Planned Community. Only the Declarant or Approved Builders shall construct any improvements regarding the Lots. If an Owner's dwelling is constructed by an Approved Builder, or Lot is otherwise improved by an Approved Builder, said Owner shall look solely to the warranty provided by the Approved Builder with respect to the dwelling or improvement. **DECLARANT MAKES NO WARRANTY WITH REGARD TO THOSE DWELLINGS AND/OR IMPROVEMENTS CONSTRUCTED BY APPROVED BUILDERS OTHER THAN DECLARANT.**

For the purpose of this paragraph "Structures" means the infrastructure, improvements (other than dwellings), and utilities constructed, modified, altered, or improved by or on behalf of Developer. Developer warrants against Structural Defects in Structures for two (2) years from the date each Lot is conveyed to a bona fide purchaser. Developer also warrants against Structural Defects in the Common Elements for two (2) years. The two (2) years shall begin as to each of the Common Elements whenever such Common Element has been completed, or, if later, at the time the first Lot in the Planned Community has been conveyed to a bona fide purchaser.

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

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

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## **ARTICLE XIX**

### **JUDGMENTS OR PENDING LITIGATION**

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

## **ARTICLE XX**

### **ESCROW ACCOUNTS FOR DEPOSITS**

Any deposit made in connection with the purchase of a Lot, except if such purchase is pursuant to an installment sales agreement, will be held in accordance with the provisions of Section 5408 of the Act. Such deposits will be returned to the purchaser if the purchaser cancels the contract to purchase the Lot pursuant to the purchaser's right to cancel as afforded in the Uniform Planned Community Act and as further set forth on the first page of this Public Offering Statement, or if the deposit is to be returned to the purchaser in accordance with the provisions of the Agreement of Sale.

## **ARTICLE XXI**

### **AGREEMENT OF SALE, DEED AND TITLE POLICY**

The **Agreement of Sale** sets forth the various rights, duties and obligations of the purchaser and the seller with reference to the individual Lot to be purchased. The Lot Owner will be responsible for the payment of all premiums for title insurance coverage which is desired to be purchased by the Lot Owner or is required by the Lot Owner's lender. A list of easements

and other restrictions affecting the Planned Community is attached as an Exhibit to the Declaration.

## **ARTICLE XXII**

### **FINANCIAL MATTERS**

Lot Owners will be assessed for Common Expenses to obtain the funds necessary to meet the budget of the Association. The assessments will be assessed on an annual basis, payable in advance on the first day of January each year, or in the alternative may be payable quarterly or semi-annually.

The amount assessed against each Lot will be based upon the Allocated Interest of that Lot relative to the entire Planned Community. The Allocated Interest is determined by dividing the number one hundred (100) by the total number of Lots in the Planned Community. The Owner is then responsible for the payment of that percentage of the total annual budget. Therefore, each Owner will be assessed an amount equal to such Owner's Percentage Interest multiplied by the total annual budget. Liability for assessments for Common Expenses and Limited Common Expenses shall commence with respect to each Lot upon conveyance of that Lot by the Approved Builder to a purchaser. The obligation to pay Common Expenses that benefit fewer than all of the Lots shall be assessed exclusively against the Lots benefited on an equal basis and are known as Limited Common Expenses.

The Declarant shall be responsible for all costs of the Association until such time as the Executive Board of the Association establishes an assessment against Lots. A Lot which is either unimproved, unoccupied, or for which a certificate of occupancy has not been issued shall not be required to pay a full monthly assessment to the Association, but shall be required to pay

an assessment which equals a percentage of that to be assessed against said Lot once occupied (as set forth in the Association's Budget). For purposes of this calculation, the assessment shall not include a share of the cost of Common Expenses attributable to property damage insurance costs, any recreational area costs, or any item or amenity from which such unoccupied Lot has not yet obtained a benefit.

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

The Declarant has prepared a proposed Budget for a fully operational year of the Planned Community's operation. As of the effective date set forth on the front page of this Public Offering Statement, no balance sheet exists for the Association. A copy of the proposed **Budget** is attached to this Public Offering Statement as **Exhibit "4."** The budget figures are, of course, estimates, and the Declarant cannot be certain that sufficient funds have been budgeted to cover all Common Expenses that may be incurred; however, the Declarant believes that the figures represent the best estimates obtainable. 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 Owners either in a lump sum or in installments, as the Executive Board determines.

The Declarant is not providing any services or paying any expenses that are not reflected in the Budget. The Declarant expects that all expenses will be paid as Common Expenses by the



Association and passed on to the Owners. Any expenses initially paid or provided by the Declarant that may later constitute Common Expenses are identified in the Budget.

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

A reserve account will be funded by "Capital Improvement Fees" collected from each purchaser (other than the Declarant) in connection with each transfer of or resale of a Lot, which Capital Improvement Fee shall currently be in the amount equal to three (3) months of monthly assessments.

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

All of the amounts assessed against a Lot are a **lien** on that Lot. This ability to lien a Lot protects all Owners by providing a mechanism to enforce the obligation of each Owner to pay his share of the Common Expenses. Generally, the Owner cannot dispose of his Lot free of the lien until the lien is satisfied by payment of the assessments secured by the lien. The Planned Community Association may obtain payment of past due assessments by foreclosure of the lien (resulting in a forced sale of the Lot) or by suing the Owner. A late charge and interest will be imposed on any payment not received by the fifth (5th) day after it is due. Sums assessed by the Executive Board against any Owner will initially bear interest at the rate of 8% per annum, or such other rate as may be determined by the Executive Board (up to a maximum of 15% per annum), from the thirtieth (30<sup>th</sup>) day following the due date of any such assessment. For any delinquent assessment, Lot Owner shall be obligated to reimburse Association's expenses,

including legal fees. If any assessments are past due for more than sixty (60) days, the Executive Board may, in addition to all other remedies in the Declaration, accelerate all of the assessment payments due from such Owner for that fiscal year of the Association, and the total amount assessed against the Owner for that fiscal year but not yet paid shall become immediately due and payable.

**ARTICLE XXIII**

**RESERVE FOR CAPITAL IMPROVEMENTS**

At closing on each Lot, whether the initial sale or upon resale, in the amount equal to three months of assessments shall be collected as a Capital Improvement Fee from each purchaser and deposited into a separate reserve account. In addition, each Owner shall, pay to the Association, such Lot's share of the estimated annual Common Expenses.

**ARTICLE XXIV**

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

All structural components and major utility installations will be new when installed. The useful life (based solely upon manufacturer's representations and reasonable exceptions) and estimated costs of replacing major items (based upon 2017 costs) are as follows:

<b>COMPONENT OR UTILITY</b>		
<b><u>INSTALLATION</u></b>	<b><u>USEFUL LIFE</u></b>	<b><u>REPLACEMENT COST</u></b>
<b>Sidewalks</b>	<b>20 years or more</b>	<b>\$ 15,000.00</b>
<b>Entrance Monument</b>	<b>20 years or more</b>	<b>\$ 15,000.00</b>
<b>Storm Water Management in</b>	<b>50 years of more</b>	<b>N/A</b>

**Open Space**

**(subject to maintenance program)**

**NOTE: THE ABOVE ESTIMATES OF USEFUL LIFE AND REPLACEMENT COSTS ARE REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THE UNIFORM PLANNED COMMUNITY ACT, AND ARE ESTIMATES ONLY AND ASSUME NORMAL MAINTENANCE OF SUCH COMPONENTS. EXCEPT AS NOTED WITHIN THE BUDGET, NO RESERVES ARE INCLUDED IN THE BUDGET FOR THESE COMPONENTS AND/OR UTILITY INSTALLATIONS. SANITARY SEWER IMPROVEMENTS WILL BE OWNED BY THE TOWNSHIP MUNICIPAL AUTHORITY AND WATER LINES WILL BE OWNED BY THE WATER AUTHORITY. STREETS WILL BE DEDICATED TO THE TOWNSHIP. UNIT OWNERS WILL BE RESPONSIBLE FOR MAINTENANCE AND REPAIR OF ANY UTILITY CONNECTIONS LOCATED ON A LOT AND NOT MAINTAINED BY THE UTILITY PROVIDER.**

**ARTICLE XXV**

**ADDITIONAL DISCLOSURES**

Fees Due From Purchasers at Closing: At the closing of each Lot, the Purchaser will be required to provide, in addition to payment for the Lot purchased, sufficient funds to pay for one-half (1/2) of the real estate transfer tax stamps; a pro-rata share of property taxes; title insurance, if any; settlement and recording fees; any charges required by the Purchaser's lender; and Capital Improvement Fees in the amount equal to three months assessments.

Fees and Charges: The Declarant expects that a traffic impact fee of \$0.00 will be imposed upon the Lot Owners for the use other facilities related to the Planned Community.

Pets: In general, pets may be maintained by a Lot Owner so long as they are not a nuisance. Pets must be leashed and accompanied by a responsible adult at all times. Leashes may not exceed six (6) feet in length. No pet may be tied, staked, attached to run or be allowed outside the Lot unattended in any other way.

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

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

The Property is located in an area of the state where Marcellus shale drilling and/or other gas shale exploration and drilling activity may occur in the future. In Pennsylvania, ownership and the right to use the subsurface of property, including ownership and rights to extract coal, gas, oil and other minerals, is not always transferred with the right to use the surface of the property. The title to the surface of the Property may be conveyed to the Purchaser without any ownership rights to coal, gas, oil and other minerals. Such subsurface rights may be vested in third parties and such third parties may also have rights to use the surface of the Property to test for, explore, drill and/or otherwise remove the coal, gas, oil and other minerals. In some instances, the coal, gas, oil and other minerals can be removed even if the surface is not accessed. Pennsylvania law

provides that a gas or oil well cannot be located within 300 feet of an existing building. Declarant does not make any representations as to the Purchaser's ownership of subsurface rights.

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

Improvements: Declarant has made reasonable financial arrangements for completion of all improvements to the Planned Community. There are no improvements that "must be built."

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

Hazardous Conditions: The Declarant has no knowledge of any of the following:

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

Resources and the United States Environmental Protection Agency at the following addresses and phone numbers:

**Pennsylvania Department of  
Environmental Protection:**

400 Waterfront Drive  
Pittsburgh, PA 15222  
(412) 442-4000

**United States Environmental  
Protection Agency:**

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

EXHIBIT 1  
Declaration of Planned Community

EXHIBIT 2  
Bylaws



**EXHIBIT 3**  
**Initial Rules and Regulations**

Exhibit 4  
Example Budget for Owners' Association for 2017