

STEARNS CROSSING,
A PLANNED COMMUNITY

PUBLIC OFFERING STATEMENT

IMPORTANT NOTICE PURSUANT TO 68 Pa.C.S. §§5402(a)(13) and 5406(c) OF THE PENNSYLVANIA UNIFORM PLANNED COMMUNITY ACT, 68 PA. C. S. §5101, ET SEQ. (THE "ACT"). NOTICE IS HEREBY GIVEN:

A. UNDER PENNSYLVANIA LAW, A PURCHASER OF A UNIT IN A PLANNED COMMUNITY IS PROVIDED A FIFTEEN (15) DAY PERIOD AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT, OR AN AMENDMENT TO A PUBLIC OFFERING STATEMENT THAT MATERIALLY AND ADVERSELY AFFECTS THE RIGHTS AND OBLIGATIONS OF THE PURCHASER, BUT BEFORE CONVEYANCE OF THE UNIT, DURING WHICH THE PURCHASER MAY CANCEL WITHOUT PENALTY ANY CONTRACT OF SALE PREVIOUSLY SIGNED AND OBTAIN A FULL REFUND OF ANY SUMS ESCROWED IN ACCORDANCE WITH SECTION 5408 OF THE ACT IN CONNECTION WITH THE CONTRACT. IF THE PURCHASER ELECTS TO CANCEL, THE PURCHASER MUST DELIVER NOTICE OF CANCELLATION TO THE DECLARANT BY HAND DELIVERY (IN WHICH CASE EVIDENCE OF RECEIPT SHOULD BE OBTAINED) OR BY POSTAGE PREPAID UNITED STATES MAIL, RETURN RECEIPT REQUESTED, TO THE DECLARANT AT THE FOLLOWING ADDRESS: 100 N. PATTERSON STREET, STATE COLLEGE, PA 16801.

B. IF DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT, OR ANY MATERIAL AMENDMENTS THERETO, TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM DECLARANT, IN ADDITION TO ANY OTHER RELIEF, AN AMOUNT EQUAL TO 5% OF THE SALE PRICE OF THE UNIT UP TO A MAXIMUM OF \$2,000.00, WHICHEVER IS GREATER. A MINOR OMISSION OR ERROR IN THE PUBLIC OFFERING STATEMENT, OR ANY AMENDMENT THERETO, WHICH IS NOT WILLFUL, SHALL ENTITLE THE PURCHASER TO RECOVER ACTUAL DAMAGES ONLY.

C. IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN FIFTEEN (15) DAYS BEFORE SIGNING A CONTRACT OF SALE, THE PURCHASER CANNOT CANCEL THE CONTRACT, EXCEPT THAT IN ACCORDANCE WITH PARAGRAPH (A) ABOVE, THE PURCHASER SHALL HAVE THE RIGHT TO CANCEL THE CONTRACT BEFORE CONVEYANCE WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF ANY AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT WOULD HAVE A MATERIAL AND ADVERSE AFFECT ON THE RIGHTS AND OBLIGATIONS OF THAT PURCHASER.



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**STEARNS CROSSING, A PLANNED COMMUNITY
PUBLIC OFFERING STATEMENT**

1. INTRODUCTION

NAME OF PLANNED COMMUNITY: STEARNS CROSSING

LOCATION OF COMMUNITY: COLLEGE TOWNSHIP, CENTRE
COUNTY, PENNSYLVANIA

NAME OF DECLARANT: STEARNS BOAL, L.P.

ADDRESS OF DECLARANT: 100 N. PATTERSON STREET
STATE COLLEGE, PA 16801

EFFECTIVE DATE OF PUBLIC
OFFERING STATEMENT: September 1, 2005

STEARNS BOAL, L.P. ("Declarant") is the owner and developer of an approximate 105 acre tract of land located partly in College Township, Centre County, Pennsylvania. The Preliminary Subdivision Plan for Stearns Crossing proposes the development of a total of 171 residential building lots to be built over thirteen (13) phases. Declarant currently proposes to offer for sale a total of 84 lots (referred to herein as "Units") in Phase I, II, III, IV, V and VI..

A planned community is real estate with respect to which a person, by virtue of ownership of an interest in a portion of the real estate (his or her Unit or lot) is or may be obligated to pay any amount for taxes, insurance, maintenance, repair, improvement, management, administration or regulation of any part of the real estate (the Common Facilities) other than the portion or interest owned solely by the person. Thus, a person's fee simple ownership in his or her own Unit (or lot) carries with it the obligation to pay a defined share of the expenses in operating and maintaining the Common Facilities.

This Public Offering Statement consists of two (2) parts, a narrative portion and an Exhibit portion. 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. The Exhibits include legal documents that are required for the creation and operation of the planned community, including, the current budget for the planned community. In the event of any inconsistency between the Exhibits and the narrative, the provisions in the Exhibits will govern.

2. DESCRIPTION OF STEARNS CROSSING

a. Units. Stearns Crossing is a residential development consisting of a proposed 171 single-family detached building lots. Each lot is considered a Unit under the Uniform Planned Community Act. The Units referred to as Lots 212, 213, 273, 235, 88 and 101 are not Units for sale. There are thirteen (13) planned phases for the Planned Community and Declarant is under no obligation to construct more than Phases I through VI. The number of projected Units in each Phase are as follows:

<u>PHASE:</u>	<u>NO. OF UNITS:</u>
Phase I	11
Phase II	12
Phase III	13
Phase IV	10
Phase V	27
Phase VI	11
Phase VII	18
Phase VIII	17
Phase IX	6
Phase X	10
Phase XI	15
Phase XII	11
Phase XIII	10

Phases I, II and III, contains thirty-six (36) Units. The location of the Units are as shown on the Final Subdivision Plan of Phases I, II and III, recorded in the Recorder of Deeds Office for Centre County in Plat Book 70, Pages 112-123.

Phase IV contains ten (10) Units. The location of the Units are as shown on the Final Subdivision Plan of Phases IV, recorded in the Recorder of Deeds Office for Centre County in Plat Book 71 , Pages 47-48

Phase V and VI contain thirty eight (38) Units. The location of the Units are as shown on the Final Subdivision Plan of Phase V, recorded in the Recorder of Deeds Office for Centre County in Plat Book 74, Pages 34 and 35 and on the Final Subdivision Plan of Phase VI, recorded in the Recorder of Deeds Office for Centre County in Plat Book 74, Pages 183 and 184.

Phases I through XIII, inclusive, have received final sewerage planning module approval from the Department of Environmental Protection for the Commonwealth of Pennsylvania.

b. Common Facilities. Common Facilities are portions of the

Property which are not included within the boundaries of the Units or within areas to be dedicated to the municipality or to utilities and are owned by the Association.

(i) Description of the Common Facilities. The Common Facilities consist of: (a) open space, which shall remain in a natural condition, (b) walkways and bike paths, (c) storm water management contracts and detention basins and conveyances to such basins, and (d) any storm water management outlet structures required by College Township. No structures exist in the Common Facilities as of the date of the recording of this Declaration. Any structures to be constructed within the Common Facilities will be shown on subsequent final subdivision plans. All structures within the Common Facilities , if any, will be constructed by the Declarant.

(ii) Conveyance of the Common Facilities. The Common Facilities will be conveyed to the Association either upon completion or turn over of control of the Association by Declarant. Until the time of conveyance, the common facilities will be owned by the Declarant. Conveyance will be by special warranty deed to the Association for consideration of One Dollar (\$1.00). After conveyance of the Common Facilities to the Association, the costs to maintain, improve, repair, replace, and insure the Common Facilities will be borne by the individual Unit Owners through regular, and, if need be, special assessments.

c. Controlled Facilities:

Controlled Facilities are portions of the Planned Community not owned by the Association but are, nevertheless, maintained, improved, repaired, replaced, insured or controlled by the Association. The controlled facilities consist of: (x) areas of certain Units which will contain landscaping and identification signs located at the entrances to the development; and (y) stormwater management controls located outside of the street rights-of-way to be dedicated to College Township, which include such controls as piping, inlets and outfall structures located within easements on Units as shown on final subdivision plans.

The Association is obligated to maintain, improve, repair, replace, regulate, manage, insure and control the controlled facilities pursuant to recorded landscaping easements. In addition, the Association shall be responsible to maintain all stormwater management controls located outside of the rights-of-way streets to be dedicated to College Township.

Prior to the conveyance of any Unit within which a Controlled Facility is located, or proposed to be located, Declarant will reserve an easement in favor of the Association to maintain, improve, repair and replace the identification signs and entrance landscaping. After conveyance of the Unit, the costs to maintain, improve, repair, replace, and insure the Controlled Facilities will be

borne by the individual Unit Owners through regular, and, if need be, special assessments.

3. DECLARANT

The Declarant is Stearns Boal, L.P., a Pennsylvania limited partnership with offices at 100 N. Patterson Street, State College, PA 16801.

4. FINANCING FOR PURCHASE OF UNITS

The Declarant does not intend to offer financing for purchases of Units.

5. GOVERNING DOCUMENTS AND CERTAIN CONTRACTS

The use and occupancy of the Units in the Planned Community and the ownership, care and maintenance of the Common and Controlled Facilities are governed by certain regulations, covenants, and restrictions contained in the Declaration and the First Amendment to Declaration, all attached hereto as **Exhibit "A"** and the By-laws attached hereto as **Exhibit "B"**. The Association is also governed by the Articles of Incorporation which are filed with the Department of State for the Commonwealth of Pennsylvania and are attached hereto as **Exhibit "C"**. These documents, taken together, are known as the Governing Documents of the Planned Community.

It is important that you read and attempt to understand each portion of the Governing Documents prior to your purchase. By purchasing a Unit, you automatically agree to abide by all the Governing Documents.

The following is a brief summary of the significant portions of the Governing Documents and other relevant documents.

a. Declaration. The Declaration provides for the creation of a Planned Community development known as Stearns Crossing. This document outlines the various rights, covenants, and restrictions for the use of the Units, the use and maintenance of the Common Facilities and the Controlled Facilities of the Planned Community, and the rights of the Association to operate the affairs of the Planned Community which includes right to levy regular and special assessments.

Article 1 of the Declaration states that the Planned Community is subject to the Pennsylvania Uniform Planned Community Act and deals with various recorded easements, licenses, and restrictions on the Property. *Section 1.2* of the Declaration provides that the Planned Community is subject to various utility

easements and subject to the information on the recorded plans for all phases of Stearns Crossing.

Article II of the Declaration defines important terms of the Declaration. Most noticeable are the definitions of Common Facilities, Controlled Facilities, Declarant and Unit.

Article III of the Declaration describes the Units (*Section 3.1*) and confers certain rights granted by the Act to relocate Unit boundaries upon obtaining municipal and Association approval (*Section 3.2*) and the right of Declarant only to subdivide Units prior to conveyance (*Section 3.3*).

Section 3.4 of Article III describes the voting rights of a Unit. Each Unit shall be entitled to one vote in the Association. The Common Expense Liability of each Unit shall be assessed in accordance with each Unit's Voting Interest. No voting interests or Common Expense Liability will attach to any lot designated as open space on the Plans.

No voting interests or Common Expense Liability will attach to Units within any undeveloped phase of the development unless and until the first lot within that phase is sold or conveyed to a party other than Declarant or a Successor Declarant. A phase will not be considered developed until the phase has received final subdivision plan approval from College Township. At the time that the first Unit within a developed phase is sold or conveyed to a party other than Declarant or a Successor Declarant, the Common Expense Liability for the Unit Owners within that phase and all prior developed phases for which assessments have already been levied shall be recalculated and reallocated by adding the total number of Units in the recently developed phase to the Units in the prior developed phases. Thus, for example, before conveyance of the first lot in Phase III, the Common Expense Liability for each Unit in Phase I (11 Units) and in Phase II (12 Units) shall be 1/23 of the total Common Expenses; and, after conveyance of the first lot in Phase III, the Common Expense Liability for each Unit in Phase I (11 units), Phase II (12 units), and Phase III (13 Units) shall be 1/36 of the total Common Expenses.

Article IV describes the Common Facilities (*Section 4.1*) and the Controlled Facilities (*Section 4.2*). These are also summarized in Section 2 of this Public Offering Statement.

Article V grants, among other things, to the Declarant easements in addition to those provided by the Act to maintain models, sales offices and signs, subjects the Common Facilities to utility easements, grants Unit Owners easements of access to their individual Units and use of the Common Facilities (subject to restrictions established by the Association), and grants to the Association an easement to maintain, improve, repair or replace the Common

Facilities and Controlled Facilities.

Article VI addresses amendments to the Declaration which amendments must be made in accordance with Section 5219 of the Act. Generally, amendments may only be made (except as to minor amendments) with the concurrence of sixty-seven percent (67%) of the Unit Owners.

Article VII and *Article VIII* subjects the Units to various architectural control requirements and various protective covenants. The architectural control and protective covenant restrictions are extremely important and it is strongly suggested that the covenants, which are set forth and reprinted in Section 18 below be read by each purchaser in detail.

Article IX and *Article X* provides for the powers of the Executive Board, provides that Executive Board members of the Association act in a fiduciary capacity, and that the Executive Board members have limited liability for their actions (or failure to act) on behalf of the Association.

Article XI of the Declaration provides for the establishment of a budget, common expenses, assessments, and enforcement of assessments. There are two types of assessments which may be made: (1) a general assessment based on all common expense assessments shared by all Unit owners of the Planned Community; (2) a special assessment if the annual budget proves inadequate for any reason. Assessment payments will be made on an annual basis for expenses and failure to make payments in the time and manner required will result in interest charges of the then maximum rate of interest permitted by law plus late charges and attorney's fees. Under the Planned Community Act, a failure to make assessment payments will result in the placement of an automatic lien against a defaulting Unit. The Executive Board shall establish a budget each year based on expenses which shall include a sufficient reserve for the replacement and contingencies. In order to establish an initial reserve, upon the sale of each Unit, an initial fee of \$100.00 will be collected at closing from the purchaser of the Unit. The Article also sets forth the type of expenses that could be incurred and for which an assessment may be made.

Article XII provides that there are no restrictions on the subsequent transfer or conveyance of a Unit except that any subsequent transfer is subject to the conditions and provisions of the Declaration.

Article XIII of the Declaration requires the Executive Board of the Association to obtain property and liability insurance for Common and Controlled Facilities.

Article XIV of the Declaration describes (in Section 14.1) when control of

the Association will be turned over from the Declarant to the Unit Owners must be made. *Section 14.2* reserves what are known as Special Rights to the Declarant to sell Units, to maintain management offices, and to convert unsold Units into two or more Units, and the right to alter the location and dimensions of Units in future phases so long as the change or alteration does not conflict with the Architectural Control and Protective Covenants set forth in the Declaration. *Section 14.3* also allows the Declarant to assigned to a successor Declarant.

Article XV provides that additional real estate can be added to the Planned Community. This provides for the remainder of the 171 lots described above, to be added to the Community.

Article XVI provides that real estate taxes are to be separately assessed to each Unit, except for the Common Facilities which may be assessed against the Association.

Article XVII of the Declaration are miscellaneous provisions relating to the Declaration generally.

There are no provisions in the Declaration providing that the Association will become a part of a Master Association.

b. Association Bylaws

Article II of the Bylaws, which are attached hereto as **Exhibit "B"**, states that all Unit owners shall be members of the Association, that there is only one class of voting, and sets forth the time, place, and necessary guidelines for calling regular and special meetings.

Article III has provisions for the Executive Board which shall consist of at least three (3) individuals. An Executive Board member will serve for one (1) year. A member of the Executive Board may be compensated for attendance at meetings.

Article IV of the Bylaws has provisions for the officers of the Association which shall include a president, vice-president, secretary, and treasurer.

Article V and *Article VI* of the bylaws address the appointment of committees and director indemnification issues.

Article VII relates to enforcement rights of the Association and the Executive Board.

Article VIII of the Bylaws describes amendments to the Bylaws.

Article IX provides that the Executive Board is to prepare an annual report

setting forth, among other things, the assets and liabilities of the Association, the membership in the Association and the expenses and disbursements of the Association.

c. Association Articles of Incorporation

The Articles which have been filed pursuant to Pennsylvania law to create the Stearns Crossing Homeowners Association Inc. as a non-profit corporation is attached hereto as **Exhibit "C"**.

d. Agreement of Sale

The Agreement of Sale, attached hereto as **Exhibit "D"**, sets forth the various rights, duties, and obligations of the Unit purchaser and Declarant with respect to the individual Unit to be purchased. The Stearns Crossing Addendum ("Addendum"), attached to the Agreement of Sale, is part of the Agreement of Sale.

The agreement for the sale and purchase of the individual Unit is a standard form Agreement of Sale as recommended and approved for use by members of the Pennsylvania Association of Realtors. This document should be reviewed with your realtor. 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 5408 of the Act and will be returned to the purchaser if the purchaser cancels the contract pursuant to Section 5406 of the Act.

The Addendum to the Agreement of Sale provides that: (1) Stearns Boal, L.P. will pay no more real estate transfer tax than 1% of the lot price; (2) the Buyer acknowledges receipt of the Public Offering Statement as well as the Declaration which sets forth the various deed restrictions and covenants; (3) the membership in the Association is mandatory and that an initiation fee of \$100.00 for establishment and maintenance of a reserve account will be collected at the time of sale and resale of each unit; (4) Buyer will reimburse Stearns Boal, L.P. \$275 for the College Township Tap Fee for water service; (5) Buyer shall be responsible for erosion and sedimentation plans and controls and indemnifies Stearns Boal L.P.; (6) Buyer shall obtain approval of the identity of the builder and building plans prior to beginning construction of the lot; and (7) Buyer acknowledges that Richard L. Kalin, one of the principals, is a Pennsylvania Real Estate Broker and an attorney at law.

6. DESCRIPTION OF LIENS, DEFECTS OR ENCUMBRANCES

The Planned Community is subject to the terms of the Declaration, as recorded, and the conditions shown on the plats and plans, as recorded, the by-laws and any

rules and regulations, as each of these may be amended.

The Act grants certain statutory easements that affect the Planned Community, including: (i) an easement provided in Section 5216 of the Act making any Unit or Common Facilities subject to a valid easement to the extent that any other Unit or Common Facility encroach upon it; (ii) an easement provided to the Declarant by Section 5218 through the Common Facilities as may be reasonably necessary for the purpose of discharging the obligations of the Declarant or exercising special Declarant rights; (iii) the rights granted under Section 5217 of the Act for the Declarant to maintain signs on the Common Facility as advertised in the Planned Community and, as provided in the Declaration, maintaining sales offices, management offices and models in the Planned Community; and (iv) the easement granted the Declarant through the Common Facilities as necessary for purposes of discharging the Declarant's obligations under the Declaration.

The Declaration provides for additional easements for Unit owners, including easements affecting both Units and Common Facilities and to various recorded easements, encumbrances, restrictions and agreements affecting the Planned Community. These include all utility and other easements shown on the plats and plans of the Planned Community and various utility easements for water, sewer, gas, television, electric and telephone lines.

The Property is presently subject to the liens of mortgages securing loan obligations of the Declarant as set forth in **Exhibit "E"**.

7. RESTRICTIONS ON TRANSFER

There are no restrictions imposed by the Declarant on resale of a Unit by the Unit owner except that sale is taken subject to the terms, conditions, provisions and requirements of the Declaration.

8. FINANCIAL MATTERS

As indicated above, Unit owners will be assessed to obtain the funds necessary to meet the budget of the Association. The assessments necessary for the year will be determined on an annual basis.

A proposed Balance Sheet and Budget is attached hereto as **Exhibits "F"**. The amount assessed against each Unit is determined by taking the total annual budget divided by the total number of Units in a developed Phase. The budget was prepared by Declarant. The amount in the budget as a reserve for repairs and replacement is \$5,000 upon development of all phases of Stearns Crossing. No reserves are set forth in the budget for anticipated material capital expenditures. The proposed common expense assessment for each Unit is set forth in **Exhibit "F"**, which will decrease proportionally as each phase may be developed.

There are no anticipated or expected current fees or charges to be paid by Unit owners for the use of the Common Elements or Common Facilities. Declarant will not construct any improvements on individual Units other than Controlled Facilities. All Common and Controlled Facilities have been constructed at the effective date of this Public Offering Statement or will be constructed prior to taking control of the Association from the Declarant; except for any improvement within the active recreational area of the open space which, if constructed, will be the responsibility of the Association.

9. ZONING HOUSING AND BUILDING CODES

There are no outstanding notices of uncured violations of building code, municipal regulations, or governmental requirements.

10. WARRANTIES

No warranties are provided by Declarant with respect to either Common or Controlled Facilities.

11. JUDGMENTS AGAINST THE ASSOCIATION

As of the date of this Public Offering Statement, there are no judgments against the Association and there are no pending suits to which the Association is a party or of which the Declarant has actual knowledge.

12. INSURANCE

The Association shall obtain comprehensive public liability and property damage insurance in not less than \$1,000,000 per occurrence. The Board may also obtain the Fidelity Bond or insurance policy protection against dishonest acts on the part of the Board members, officers or agents.

13. VOTING

Votes are allocated among the Units on a one Unit/one vote basis. Cumulative voting is not permitted. Class voting is not permitted.

14. GOVERNMENTAL APPROVALS

Phase I, II, III, IV, V and VI of Stearns Crossing have obtained final subdivision approval from College Township. Phases I, II and III were recorded at Centre County Plat Book 70, page 122-123. Phase IV was recorded at Centre County Plat Book 71, page 47-48. Phase V was recorded at Centre County Plat Book 74 pages 34 and 35. Phase VI was recorded at Centre County Plat Book 74 pages 183 and 184. The planning module and NPDES permits were previously approved for the development.

The Centre County Conservation District has approved the project. A building permit will be needed prior to the construction of a building on a Unit. There are no outstanding notices of uncured violations of building code, municipal regulations or governmental requirements.

15. ENVIRONMENTAL CONDITIONS

The Declarant is unaware of any environmentally hazardous conditions, including contamination affecting the Planned Community site by hazardous substances, hazardous wastes, or the existence of underground storage tanks for petroleum products or other hazardous substances. The Declarant is also unaware of and has no notice of any governmental investigation regarding the disposal of hazardous wastes, hazardous substances or other contaminants upon the Planned Community or upon adjacent property which may affect the Planned Community.

The address and phone number of the regional offices of governmental agencies where information concerning environmental conditions affecting the Planned Community site may be obtained are as follows:

Centre County Conservation District
Willowbank Office Building
414 Holmes Avenue, Suite 4
Bellefonte, PA 16823-1488
Telephone (814) 355-6817

Pennsylvania Department of Environmental Protection
208 West Third Street - Suite 101
Williamsport, PA 17701-6448
Telephone (717) 327-3636

16. UNUSUAL AND MATERIAL CIRCUMSTANCES

The Common Facilities and the Controlled Facilities are depicted on the Final Subdivision Plans for each phase.

17. MASTER ASSOCIATION

The Declaration contains no provisions authorizing the Association to become a Master Association or become part of a Master Association.

18. RESTRICTIONS ON USE

The Declaration in Article VIII contains the following protective covenants and architectural control provisions:

8.1. Each Lot shall be used for residential purposes only, and only one (1) single family residential dwelling may be erected or maintained on each Lot. As part of each single family residential dwelling constructed on a Lot, an integral or attached garage for at least two (2) automobiles but for not more than four (4) automobiles must be

erected. Separate apartments within the residential structure are prohibited. Other outbuildings or appurtenances, if any, may be erected or placed on the Lot only if approved by Architectural Control Committee. No residential dwelling shall be rented for a period of less than six (6) months.

8.2. Home occupations and professional offices may be conducted or maintained on the premises provided that (a) there is no client contact on the site, (b) there are no deliveries to the site, and (c) it is approved by Architectural Control Committee.

8.3. No mobile home, shack, or other temporary structure shall be kept, maintained or allowed on the premises.

8.4. No motor homes, campers, boats, trucks in excess of 8,000 pounds (gross vehicle weight), or recreational vehicles and no abandoned, unlicensed or inoperable vehicles may be kept or stored on the premises except in a garage.

8.5. No animals, livestock, horses, or poultry, of any kind shall be raised, bred or kept on the premises except that dogs, cats or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose, and provided that there shall be kept on the premises no more than two (2) dogs and/or cats. No dog houses or kennels may be erected on the premises.

8.6. No above ground swimming pool may be constructed on any Lot.

8.7. No satellite dish or other antenna may be placed on any structure or on any portion of the land of the Lot without the prior approval of Architectural Control Committee; screening design plans must be approved by Architectural Control Committee. No satellite dish or other antenna may be fastened to the chimney.

8.8. No manufactured home, trailers, double-wide homes, mobile homes or modular homes of any type may be brought onto, affixed to, or constructed upon a Lot.

8.9. All buildings on a corner Lot must have the same materials on the sides of the building facing both streets, or an alternate material approved by the Architectural Control Committee.

8.10. Exposed foundations on all buildings must be concealed by stucco or a suitable building material; no exposed block foundations are permitted.

8.11. The exterior of all chimney stacks must be covered with exterior insulated finishing system (eifs; e.g. drivit), stucco, brick or stone; vinyl covering is not permitted.

8.12. No storage buildings, gazebos, greenhouses, playhouses or other structures other than the main dwelling may be permitted, unless approved by Architectural Control Committee. All mailboxes must follow the conformity established or approved by the Architectural Control Committee.

8.13. An outside electric eye pole light must be installed on each Lot prior to the

completion of the dwelling unit and must be maintained thereafter. The pole light must be placed within five (5) feet of the walkway leading to the house from the walkway running parallel to the street or from the driveway; it must be lighted at all times, from sundown to sunup; it must be regulated by an automatic day and night photocell wired directly to the circuit panel; and it must have at least a sixty (60) watt bulb. No in-line switches are permitted to control the outside electric eye pole light.

8.14. No fences shall be permitted unless approved by Architectural Control Committee. The procedure for approval of the design and location of the fence shall be in accordance with the Fence Policy attached hereto as **Exhibit "C"** and Articles 8.22 and 8.23, below.

8.15. All trash, garbage and refuse shall be stored in covered metal or plastic underground receptacles, or otherwise concealed from view by an enclosure or screening approved by Architectural Control Committee.

8.16. No sign of any kind shall be displayed to the public view on any Lot except when the house or Lot is for sale; in which case, one sign having an area of not more than five (5) square feet advertising the property for sale may be displayed. The foregoing notwithstanding, Declarant may allow signs which exceed the size set forth in this paragraph for (1) advertisement of the subdivision during development, and (2) gateway or subdivision name signs, whether temporary or permanent.

8.17. Each Unit Owner must provide a paved driveway for off the street parking, for at least four (4) vehicles (excluding garage spaces). All driveways must be paved with either concrete, asphalt or utilize brick pavers.

8.18. The minimum required front yard setback is thirty (30') feet from the front property line. Unit Owners are encouraged to set their home back forty (40') feet if possible. Exceptions may be granted by the Architectural Control Committee. It is strongly encouraged that side entry garages be used and that garages be set back beyond the front wall line of the house so that garage doors do not dominate the streetscape.

8.19. Each building shall be provided with gutters and down spouts and all roof water shall drain to underground sumps or alternative techniques. When the dwelling is of contemporary design, gutters and down spouts may be omitted so long as the roof overhang is provided with a crushed stone sump of at least two (2) feet in depth and one (1) foot in width which shall run the entire length of the overhang.

8.20. No building shall be erected, altered or placed upon any Lot and there shall be no landscaping or grading of any Lot, or any removal of trees until:

- a. The identity of the proposed builder has been submitted to the Declarant and the Declarant shall have approved the identity of the proposed builder.
- b. A complete set of plans and specifications and a site plan, including a

landscape plan (unless the other requirements of Section 8.22 are met), shall have been furnished to Declarant and Architectural Control Committee at least thirty (30) days prior to construction and the plans and specifications have been approved in writing by the Architectural Control Committee.

All submissions of plans for construction, proposed grading, and tree removals must be in duplicate, one (1) copy of which shall be retained by Architectural Control Committee.

After receipt of the identity of the proposed builder, Declarant shall approve or disapprove the same within fifteen (15) days.

After receipt of the proposed plans and specifications Architectural Control Committee shall approve or disapprove the same within fifteen (15) days.

Architectural Control Committee may approve in part and disapprove in part, or otherwise qualify such approval, and may take into consideration aesthetic or other considerations or reasons as Architectural Control Committee shall deem suitable.

Unit owner further agrees that no change shall be made in the identity of the builder without the written approval of Declarant first had and obtained. Declarant reserves the right to approve or disapprove of any builder of a dwelling or improvement within STEARNS CROSSING

Unit owner further agrees that no change shall be made in the approved plans and specifications without the written approval of Architectural Control Committee first had and obtained

The Architectural Control Committee shall create a list of minimum building specifications. All builders and Owners shall comply with the specifications.

8.21. All site plans shall show the following:

- (a) Subdivision name, Uniform Parcel Identifier Number, Lot number, street address, and abutting Lot numbers.
- (b) Name, address phone number, and e-mail of person or firm preparing the site plan.
- (c) Zoning district.
- (d) Total size of the Lot.
- (e) The proposed use(s) of the Lot.
- (f) The total tract boundary with distances drawn to the nearest foot, including any street rights-of-way when applicable.

- (g) All stream, flood plains and wetland boundaries, if applicable, and slopes of twenty-five percent (25%) or more.
- (h) Location and area of all existing and proposed primary and accessory structures, including exterior dimensions.
- (i) North arrow and scale.
- (j) Date of plan, and date of any and all revisions made to the plan after the original date of submission
- (k) Cartways and names of abutting streets.
- (l) Lot boundary bearings and distances, and property corners.

- (m) Building setback lines per the subdivision record plan. Location of the front, side, and rear yard setback areas as required by the applicable zoning district.
- (n) Easements.
- (o) Utilities above and below ground and all appurtenances such as valves, clean outs, etc. All existing and proposed utility poles, drainage facilities, and walkways.
- (p) Existing topography at two foot (2') even contours with existing spot elevations on flat grades if needed to define drainage patterns. Topographic contour lines drawn at vertical intervals of two (2) feet for land with average undisturbed slopes of ten percent (10%) or less and at intervals of five (5) feet for land with average slopes exceeding ten percent (10%), including the source of topographic data; or two perpendicular cross sections through the entire property, showing existing and proposed grades and the floor elevations of any proposed structures.
- (q) Proposed topography at two foot (2') even contours.
- (r) Accurate depiction of all floors of the house plan, showing door and window openings, and indicating garage, porch, deck, gazebo, pool or other separate use areas or structures.
- (s) Square footage of finished living space
- (t) Cross section through the structure and the total height of all proposed structures, in accordance with College Township definition of "height", Section 200-7, and as amended.

- (u) Underground roof drain sump or alternative locations shall be shown or noted. All sumps shall have a minimum four inch (4") overflow pipe to daylight.
- (v) Finished floor elevations of the dwelling, porch, patio, garage or other separate use Areas. Basement and main floor level finished elevations.
- (w) Proposed limits of paved areas and labeling of use. Location of existing or proposed driveways.
- (x) Height and materials of all proposed retaining walls.
- (y) Outdoor lighting not attached to the dwelling facades.
- (z) Drainage design direction arrow in swales or tightly graded areas, including as well high point drainage divide locations and elevations. When applicable, show direction and/or paths of all existing site drainage, any/all methods of erosion and sedimentation control and on-site storm water management practices to be implemented.
- (aa) Proposed grading spot elevations necessary to define and construct accurately proposed land forms.
- (bb) Landscaping requirements contained in Article 8.22 shall be noted on the site plan.
- (cc) Finished floor elevations of the dwelling, porch, patio, garage or other separate use Areas. Basement and main floor level finished elevations.
- (dd) Spot elevations shall indicate top and bottom of embankments, swales, and micro grading. Water shall drain away from the dwelling on all sides for a minimum distance of ten feet (10'). Grass swales at a minimum two percent (2%) slope shall drain water from around the house. Unless clearly impractical without drastic or unattractive grading, drainage swales shall not direct water onto an adjacent Lot but shall direct it to the street or recorded subdivision drainage easement. Elevations and cross sections of structures, and details of all grading elements such as berms, earth mounds, and retaining walls.
- (ee) All driveways and parking shall be a minimum of two feet (2') from side or rear Lot lines or a greater distance if required by College Township.
- (ff) Percentage of impervious coverage on the Lot after all proposed

improvements.

Architectural Control Committee shall have the right to approve or disapprove any such plans or specifications, all grading, landscaping, and all tree removal, and Architectural Control Committee shall have the right to require whatever screening it deems suitable. Declarant shall have the right to approve or disapprove the identity of a builder.

Each Unit Owner acknowledges and agrees that any construction, improvement or movement of soil on a Lot is under and subject to the restriction and regulation of the Soil Conservation District, and each Unit Owner shall be responsible for constructing and maintaining erosion and sedimentation controls in accordance with the approved plans, and each Unit Owner hereby indemnifies and saves harmless Declarant and the Architectural Control Committee, and their successors and assigns, from any loss, damage or claim that Unit Owner may have or incur as a result of the Unit Owner's failure to construct and maintain proper erosion and sedimentation controls.

8.22. As part of the site plan submission, a landscaping plan shall first have been furnished to Architectural Control Committee, and such plans shall have been approved in writing by Architectural Control Committee. Each Unit Owner further agrees that no change shall be made in said approved landscaping plan without first obtaining the written approval of Architectural Control Committee. The amount allocated to landscaping (including fine grading and grass seeding) shall be no less than ten (10%) percent of the purchase price of the Lot. This amount must be expended within the one (1) year described in Article 8.23. All submissions of landscaping plans must be in duplicate, one copy of which shall be retained by Architectural Control Committee. After receipt of the landscaping plan, Architectural Control Committee shall approve or disapprove the same within fifteen (15) days. Architectural Control Committee may approve in part and disapprove in part, or otherwise qualify such approval, and may take into consideration aesthetic or other considerations or reasons as Architectural Control Committee shall deem suitable.

In the alternative to submitting a landscape plan along with the site plan, a Unit Owner may deposit Five Thousand (\$5,000) Dollars with Declarant to secure the completion of landscaping in accordance with a landscaping plan which may be submitted no less than thirty (30) days prior to the beginning of landscape work. The Declarant will release the Five Thousand (\$5,000) to the Unit Owner upon the completion of the landscape plan as approved by the Architectural Control Committee.

8.23. The building and landscaping of any dwelling, garage and driveway must be completed within eighteen (18) months from the start thereof, or else there shall be assessed against the Unit Owner liquidated damages in the amount of Fifty (\$50.00) Dollars per day for that time beyond the foregoing eighteen (18) month period during which such construction or landscaping is incomplete. The eighteen (18) month time period may be extended by the Architectural Control Committee.

8.24. Minimum finished square footage of living space above grade of all dwellings,

excluding basements and garages, must be at least three thousand (3,000) square feet in Phases I, II, and III, two thousand five hundred (2,500) square feet in Phase IV, and two thousand four hundred (2,400) square feet [2,200 square feet for a house of only one floor above grade] in Phases V and VI, subject to Declarant's exclusive right to waive this provision as, in Declarant's judgment, is required by special circumstances, and such decision of waiver shall be final.

8.25. In Phases I through VI, each dwelling built on a Lot shall have a cost, at the time of construction, of no less than Three Hundred Thousand (\$300,000.00) Dollars (exclusive of Lot purchase); said amount to be increased annually in accordance with the Consumer Price Index in effect on the date of filing of the original Declaration or on the date of the filing of the Amendment adding the subject phases to the Declaration.

8.26. Neither Declarant, nor Architectural Control Committee, nor its successors or assigns, shall be liable in damages to anyone submitting any plans or request for approval, or to any Unit Owner affected by these Covenants by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or request. Every Unit Owner who submits any plans or request to Architectural Control Committee for approval agrees, by submission thereof and every Unit Owner agrees, by acquiring title thereto, that he will not bring any such action or suit to recover any such damages.

8.27. Declarant and Architectural Control Committee each shall have the express power and the right to enjoin the construction of any structure or other improvement and the removal of any trees and to order the removal of any structure or improvement on any Lot where approval for the said construction, tree removal, or other improvement shall not have been obtained in strict compliance with the provisions of Articles 8.22 and 8.23, and to take such other remedies as are available to Declarant or Architectural Control committee in law or equity.

8.28. Each Unit Owner shall refrain from interference with natural and developed drainage courses and swales.

8.29. At no time shall any Lot be stripped of its top soil, except to the extent necessary for approved construction, nor be stripped of its trees, or allowed to go to waste, or be neglected, excavated, or have refuse or trash thrown, placed, or dumped upon it, and Declarant and Declarant's and their contractors' machinery shall have the right to enter upon any Lot for the purpose of removing trash, mowing, cutting, clearing or pruning the Lot of any Unit Owner permits the same to become unsightly or if the same detracts from the overall beauty, setting and safety of the STEARNS CROSSING. In the event that Declarant or their contractor removes trash, mows, cuts, clears or prunes, then the expense of the same may be recovered from Unit Owner.

8.30. From the time of purchase, Unit Owner shall be responsible for weed control and shall allow no unsightly growth to occur and shall comply with the ordinances of College Township.

8.31. Each Unit Owner agrees that within three (3) years of Closing on a Lot, or upon

occupancy of the house, whichever first occurs, or sooner if required by College Township, the Unit Owner shall cause to be constructed five (5) foot wide concrete sidewalks as may be required by College Township. In the event that the Unit Owner does not construct the sidewalk as required, Declarant or the Association may construct the sidewalk and put a lien against the property for the cost of construction.

8.32. No Lot may be used as a means of access or egress to or from any other real estate except with Declarant's specific written consent.

8.33. No Lot may be used for any activity which produces offensive or obnoxious sound, odor or light which may be perceived from the Lot line of the Lot. No Lot may be used for any activity which may be construed as a nuisance by a reasonable person. No blinking, flashing or neon lights shall be permitted on any Lot such that the same is visible at the Lot line.

8.34. Each reference to Declarant herein shall refer to Declarant, its successors and assigns, and if after the period of the control of Declarant, each reference to Declarant shall mean the Association. Declarant shall have the right to grant and convey or assign any or all of their rights to enforce these restrictive covenants, reservations and easements to another person or persons. Declarant may grant and convey or assign some rights, but not others and may grant and convey or assign some rights to one person and other rights to other persons. Upon such conveyance, grant or assignment, the person or persons shall have and shall succeed to all rights and duties with the same power as the original Declarant. If Declarant assigns any or all rights to the Association, the Association must accept the responsibility for the enforcement of those covenants, reservations and easements so assigned. Unit Owner herein shall refer to the original purchaser from Declarant, its successors or assigns and successors in interest.

19. GENERAL INFORMATION

ANY INFORMATION OR DATA REGARDING THE PLANNED COMMUNITY NOT PRESENTED IN THIS PUBLIC OFFERING STATEMENT OR CONTAINED IN THE EXHIBITS MUST NOT BE RELIED UPON.

NO PERSON HAS BEEN AUTHORIZED BY THE DECLARANT TO MAKE ANY REPRESENTATION NOT EXPRESSLY CONTAINED HEREIN.

THIS PRESENTATION MAY NOT BE CHANGED OR MODIFIED ORALLY. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE TERMS OF THIS PUBLIC OFFERING STATEMENT AND THE LEGAL DOCUMENTS CREATING THE PLANNED COMMUNITY INCLUDING, BUT NOT LIMITED TO THE DECLARATION, BYLAWS, AND PLANS, THE TERMS OF THAT LEGAL DOCUMENT WILL CONTROL.

THIS PUBLIC OFFERING STATEMENT INCLUDES LEGAL DOCUMENTS

WHICH DETERMINE YOUR OWNERSHIP RIGHTS IN THE PLANNED COMMUNITY.
IT IS RECOMMENDED THAT YOU CONSULT LEGAL COUNSEL OF YOUR CHOICE
CONCERNING THE CONTENTS OF THIS OFFERING.

STEARNS BOAL, L. P., by its general partner,
Stearns Boal, LLC

By: _____
Name: _____
Title: _____

S:\2DL\SB\DECL\PublicOfferingStatement-ph VandVI.wpd
11/13/05

**EXHIBITS ARE NOT ATTACHED TO THIS
ONLINE VERSION OF THE PUBLIC
OFFERING STATEMENT**