

STONEBRIDGE CROSSING CONDOMINIUM
PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM: Stonebridge Crossing Condominium

ADDRESS OF CONDOMINIUM: Glen Hollow Drive, Dover Township, York County,
Pennsylvania

NAME AND ADDRESS OF DECLARANT: Moneco-Cardinal Lane Partnership and
Gary L. Sweitzer, 1969 York Haven Road, Etters, Pennsylvania, 17319

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: APRIL 1, 1991.

THIS PUBLIC OFFERING STATEMENT IS BEING PRESENTED BY THE DECLARANT IN AN ATTEMPT TO DISCLOSE AND SUMMARIZE INFORMATION PERTINENT TO CONSIDERATION OF A PURCHASE OF A CONDOMINIUM UNIT AT STONEBRIDGE CROSSING CONDOMINIUM. SINCE IT IS AN ABBREVIATED FORMAT, PROSPECTIVE PURCHASERS SHOULD ALSO REFER TO THE COMPLETE DOCUMENTS REFERRED TO IN THIS STATEMENT FOR DETAILED INFORMATION.

WITHIN 15 DAYS AFTER RECEIPT OF THIS PUBLIC OFFERING STATEMENT A PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT FROM DECLARANT.

IF DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM DECLARANT DAMAGES AS PROVIDED IN SECTION 3406(c) OF THE PENNSYLVANIA UNIFORM CONDOMINIUM ACT IN AN AMOUNT EQUAL TO 5% OF THE SALES PRICE FOR SUCH UNIT, UP TO \$2,000., OR IN AN AMOUNT EQUAL TO THE ACTUAL DAMAGES SUFFERED BY THE PURCHASER, WHICHEVER IS GREATER.

IF A PUBLIC OFFERING STATEMENT IS RECEIVED BY THE PURCHASER MORE THAN 15 DAYS BEFORE SIGNING A CONTRACT, HE CANNOT CANCEL THE CONTRACT.

EVERY PROSPECTIVE PURCHASER SHOULD READ THIS STATEMENT CAREFULLY.

Format of this Statement

This Statement consists of four separate sections. This first section, entitled "PUBLIC OFFERING STATEMENT", summarizes the significant features of Stonebridge Crossing Condominium and presents additional information of interest to prospective purchasers. The other three sections include: (1) the Declaration of Stonebridge Crossing Condominium, (2) the Bylaws of Stonebridge Crossing Condominium Association, and (3) the annual budget (proposed or actual as the case may be) of Stonebridge Crossing Condominium Association. The Declaration and the Bylaws are herein referred to as the "Condominium Documents." If there is any variation between this Public Offering Statement and the Condominium Documents, the Condominium Documents will govern.

No person or sales agent or other representative of Declarant may orally modify the terms and conditions of the Condominium Documents or interpret their legal effect. All capitalized terms which are not defined in the Public Offering Statement have the meanings set forth in the Declaration or in the Bylaws.

The Condominium Concept

The term "condominium" refers to a form of property ownership which, in effect, combines two older forms of ownership. A residential condominium Unit Owner is, at the same time, both the sole owner of the portion of a building which encloses his or her living quarters (a "Unit") and one of many mutual owners (in legal terms, "tenants in common") of common facilities which service his and other living quarters and of common areas which a Unit Owner may use and enjoy along with owners of other Unit Owners (the "Common Elements"). Common Elements are all portions of the condominium which are not included within the Units. In general, the Common Elements constitute the land and those portions of the condominium which support, enclose or service the Units. Stonebridge Crossing Condominium is unique in that many of the Common Elements which would ordinarily be subject to the use and enjoyment of other Unit Owners, such as the underlying land and the land adjacent to each Unit, have been designated as Limited Common Elements which means that such areas are for the exclusive use of such Unit Owners.

Each individual Unit has a share, that is, an "undivided interest", in the Common Elements, which means that all Unit Owners have a share in the ownership of all Common Elements. In Stonebridge Crossing Condominium, the Common Element Interest will be allocated equally among all Units. The ownership of this Common Element Interest gives each Unit Owner the right, subject to the terms of the Pennsylvania Uniform Condominium Act and of the Condominium Documents, to use and participate in the control of the Common Elements with the other Unit Owners and imposes upon each Unit Owner the obligation to pay the same percentage of the expenses of operating and maintaining the Common Elements as the Unit Owners' interest in the Common Elements. The amount of these expenses is determined in annual budgets established by an Executive Committee, the members of which are

elected in accordance with Section 11 of the Declaration. It is this coupling of exclusive ownership of a Unit with the share ownership of the Common Elements which distinguishes condominium ownership from other forms of property ownership.

The Declarant and Developer

Stonebridge Crossing Condominium is being built and created by Gary L. Sweitzer.

Gary L. Sweitzer is the owner of the development rights to the real estate upon which the condominium is being constructed. The ownership of the real estate is vested in the Moneco-Cardinal Lane Partnership, a general partnership. Gary L. Sweitzer and Moneco-Cardinal Lane Partnership are jointly referred to as the "Declarant". The present address of the Declarant is 1969 York Haven Road, Etters, Pennsylvania, 17319.

A Brief Description of Stonebridge Crossing Condominium

Stonebridge Crossing Condominium is located in Dover Township, York County, Pennsylvania off of Cardinal Lane. Initially the condominium will consist of approximately 1.194 acres of land. All of the Land is designated as convertible Real Estate, and Declarant has reserved the right, at Declarant's sole option, to convert all or any portion thereof to Units, Common Elements or Limited Common Elements or any combination thereof without the consent of any Unit Owner at any time and from time to time during the seven years following recording of the Declaration. The Declarant is constructing four (4) Buildings on the Land and each Building will contain two Units. The original Condominium will therefore consist of four two-Unit Buildings. There is an additional 38.074 acres of land which is designated as Additional Real Estate and may be added to the Condominium at the option of the Declarant at any time and from time to time during the seven years following recording of the Declaration. Other Buildings and Units to be located on the Additional Real Estate may be submitted to the Condominium at the discretion of the Declarant. The type and mix of Buildings and Units within any Building constructed on the Additional Real Estate will be determined by Declarant and will be compatible in quality of construction with the Buildings and Units constructed on the Land originally submitted to the Condominium. The Declarant makes no representations concerning the architectural style, principal materials or size of the Units to be constructed on the additional real estate. If developed in accordance with Declarant's present plans, the Additional Real Estate will contain seventy-six (76) two-unit Buildings and thirty (30) single-unit Buildings, similar in architectural style and principal materials used for the original Buildings. In total, the Declarant has retained the right to add to the Condominium one hundred eighty-two (182) additional units on the Additional Real Estate. The Declarant will submit to the Condominium sufficient Land to comply with applicable Municipal requirements relating to recreational areas and stormwater detention.

Percentage Interests are allocated among the Units equally and are set forth in Exhibit "A" of the Declaration. If and as additional Units are incorporated into the Condominium, such Percentage Interests will be adjusted to reflect the increased number of Units in the Condominium.

Water service will be provided by the Dover Water Authority, and sanitary sewer service will be provided by the Dover Township Sewer Authority. Each Unit will have a meter to monitor water usage. Maintenance of the water and sewer laterals leading from the mains to each Unit will be the responsibility of each Unit Owner and not the Condominium Association ; however, such lines will be installed by the Declarant in accordance with all specifications of the above named providers of utilities. Electricity service will be provided by Metropolitan Edison Company and will be individually metered to each Unit. Gas for heating, hot water, cooking, clothes dryer, fireplace and connection for an outdoor gas grill will be provided by Columbia Gas Company and will be individually metered to each Unit. Maintenance of all public utility services from the point of connection to a main line to the Unit itself shall, to the extent not the responsibility of the utility provider, be the responsibility of each Unit Owner and not the Condominium Association.

Declarant will complete construction of the first Building by January 31, 1991. Declarant intends to commence construction of additional Buildings as market conditions permit. However, such intention is subject to a number of variables not within Declarant's control, such as the pace of sales activity (which in turn depends in large part on the state of the economy, interest rates, availability of construction and permanent financing, etc.) and construction delays, any of which could accelerate or slow down future construction and development.

Because of the tax and other economic benefits arising from investment ownership of real estate, such as a Unit at Stonebridge Crossing Condominium, it is possible that a number of Units will be purchased (singly or in groups of Units) by investors. Therefore, Declarant has reserved the right to rent or sell more than one Unit to any lessee, purchaser or investor. Declarant has also reserved the right to rent any Units which are not sold. All leases must be in writing and be subject to the Condominium Documents. No Unit may be leased for an initial term of less than thirty (30) days.

The Condominium Documents

The Condominium Documents are part of this Public Offering Statement. The Declaration is the formal, legal document which creates the Condominium. The Declaration will be recorded when the first Buildings and the Units therein are substantially complete. Amendments to the Declaration will be filed to add additional Units and Buildings to create Convertible Real Estate within Additional Real Estate and to add Additional Real Estate. The Declaration establishes and expresses the existence of the Condominium, defines certain terms, and allocates the Percentage Interests in the Common Elements and Common Expenses and the votes at meetings of Unit Owners.

Except for amendments effecting the addition of Additional Real Estate, the creation of Convertible Real Estate within Additional Real Estate, or the conversion of Convertible Real Estate, which may be enacted by Declarant alone, the Declaration may be amended only in accordance with Section 26 of the Declaration.

The Bylaws are the governing document setting forth the method of management of the Condominium. The Condominium, including Common Elements, is to be managed by the Association of Unit Owners through an Executive Committee.

The Declaration and the Bylaws are very complex documents. Copies of these documents are attached for review by you and any legal counsel or other advisors you may elect to retain. Some of the significant features of the Declaration and Bylaws are described below, but if there is any conflict between the description contained in this Public Offering Statement and the actual text of the Condominium Documents, the Condominium Documents will control.

Units may be used by the Unit Owners only for residential purposes, subject to Declarant's rights to use Units which it owns as sales or management offices or models. The Condominium Documents contain certain restrictions on the ownership and use of Units, as more specifically described in Section 18 of the Declaration.

Under the Declaration, the Executive Committee may promulgate Rules and Regulations governing the use of the Condominium. Copies of the Rules and Regulations must be delivered to the Unit Owners. If at the date of delivery of this Public Offering Statement any Rules and Regulations have been enacted, they are attached hereto. Each Unit Owner (and not the Association) is responsible for the proper care and maintenance of the land surrounding his Unit and the exterior of the Building surrounding his Unit, including roofs, walls, windows, doors, mechanical systems just as would be the case if the Unit was not part of a Condominium, and etc.

A Unit Owner may place mortgages on his Unit. Each Unit Owner is solely responsible for the proper care and maintenance of his Unit. Maintenance and care of the storm water detention facility is the responsibility of the Association. The intent of the Declaration is that all responsibility for maintenance, repair, replacement and etc. of all portions of the Condominium, except for the stormwater detention facility and recreational areas, shall be assigned to and the responsibility of each Unit Owner and not the Association.

The Association is comprised of all of the Unit Owners. The daily affairs of the Association are to be managed by the Executive Committee, which will consist initially of three persons. All members of the Executive Committee shall be appointed by Declarant until 60 days after 25% of the Units have been conveyed by Declarant to others, at which time the Unit Owners, other than Declarant, shall hold a meeting to elect two additional members of the Executive Committee, thereby creating a Executive Committee consisting of five members. Declarant will also have the right to remove and replace any of its appointees at any time. Within 120 days after 75% of the Units have

been conveyed to persons other than the Declarant, but not later than seven years after the date of conveyance of the first Unit, a meeting of Unit Owners will take place, and the Unit Owners (other than Declarant) will then elect three members to replace the three Declarant-appointed members. All members of the Executive Committee must be either Unit Owners or designees of the Declarant. Annual meetings of Unit Owners will take place on the third Thursday in September of each year. Unit Owners will receive votes relative in number to their Percentage Interest in the Common Elements. The Declarant will be entitled to vote all votes allocated to Units which it owns.

The Executive Committee is required to meet at least once every four months. Its responsibilities include the approval of capital expenditures, the establishment of a budget for each fiscal year and the assessment against each Unit and Unit Owner of a portion of the funds necessary to operate under such budget. A majority of all Unit Owners may, however, reject any budget or capital expenditure approved by the Executive Committee within 30 days after such approval.

Each Unit's assessment for Common Expenses shall be in proportion to its Percentage Interest in the Common Element. Assessments for Common Expenses are made by the Executive Committee and payable by the Unit Owners. If the amount assessed and collected by the Executive Committee during any year is not sufficient to cover the actual Common Expenses of the Condominium, the Executive Committee may make additional assessments for the fiscal year. Any assessment which a Unit Owner does not pay, when due, becomes a lien against a Unit Owner's Unit enforceable under the Pennsylvania Uniform Condominium Act and in accordance with the Declaration and Bylaws. In addition, if the Executive Committee wishes to expend or borrow monies or incur expenses in an amount greater than 5% of the aggregate of all budgeted expenses for the fiscal year, such expenditures must have the prior approval of two-thirds of all Unit Owners given at either a regular meeting or a special meeting called for such purposes.

The Executive Committee elects its own officers and may employ a professional management agent for the Condominium on terms which the Executive Committee may determine.

Prior to such time as the Executive Committee is elected by the Unit Owners, Declarant will not cause the Association to enter into (i) any management contract or employment contract or (ii) any contract or lease (a) to which the Declarant or an affiliate of Declarant is a party and (b) which cannot be cancelled without penalty by the Association without cause upon 90 days' notice to the other party.

Association Budget

If as of the effective date of this Public Offering Statement the Association has any balance sheet, the same is attached hereto. If no such balance sheet is attached, it is only because as of such date the Association has no balance sheet, having received no payments and having transacted no business. A Projected Budget

for the Association, prepared by the Declarant, for the twelve month periods from January 1, 1991 to December 31, 1991 is attached hereto. Such budget was prepared by the Declarant based upon occupancy rates set forth in the summary of significant assumptions included with the budget. The budget includes a contingency reserve for major repairs and replacements and unanticipated expenses of two months Common Expense Assessment per Unit. The budget provides no other reserves. The budget does not include any expense for real estate taxes which may be assessed and imposed on the Common Elements. The budget also sets forth the projected monthly Common Expense assessments for each Unit. Declarant will pay Common Expense assessments for each Unit owned by Declarant. The Projected Budget assumes a factor for inflation at the rate of 7% per annum from the date of the Public Offering Statement.

Liens and Encumbrances

The Condominium is presently subject to existing mortgages held by Peoples Bank of Glen Rock (the "Bank") in the aggregate amount of \$1,369,192.00. The Condominium is subject to an easement for construction and sales activities in favor of Declarant (as set forth in the Declaration) and to the easements set forth on Exhibit "D" of the Declaration. There are no other liens and encumbrances affecting the Condominium as of the effective date of this Public Offering Statement. Upon the conveyance of a Unit to a purchaser, the Unit will be released from the lien of the Bank's mortgages.

Description of Financing

Declarant does not offer to provide financing for purchasers of the Units.

Warranties

A. For a period of one year Declarant warrants that it has constructed the existing Units, and agrees to construct additional Units, in accordance with good industry practice which assures quality of materials and workmanship.

B. Declarant shall administer the warranty made by Declarant as set forth above.

C. The liability of the Declarant for defective material or installation under the warranty set forth above will be limited to the replacement or correction of any defective materials and/or installation, and no other claims or demands whatsoever shall be made upon or required to be allowed by Declarant.

D. Declarant shall assign (to the extent assignable) and deliver to each purchaser at settlement all guarantees and warranties Declarant has received from manufacturers on systems and appliances contained in the Unit. The Declarant's one year warranty shall not apply to any system or appliance for which a manufacturer's warranty is provided regardless of the conditions or coverage of such warranty.

E. Except as provided below in Paragraphs E and F, direct administration of the one year warranty by Declarant constitutes the sole, total and complete warranty to the purchaser by Declarant with respect to construction of the Unit.

F. Declarant shall also provide to each Unit Purchaser, at Declarant's cost and expense, the ten year limited warranty issued and administered by the Quality Builders Warranty Corporation. The coverages and other matters involving such warranty will be provided in the specimen attached to this Public Offering Statement as Exhibit "A".

G. In addition to the foregoing and as required by the Act, Declarant warrants against structural defects in each of the Units and all of the Common Elements. For the purpose of this paragraph, "structural defects" are those defects in components constituting any Unit or Common Element which 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 foregoing structural warranty shall not be construed to make Declarant responsible for any items of maintenance relating to the Unit or of the Common Elements. The structural warranty described above will expire as follows:

- (i) as to Units, this warranty begins on the date that the Unit is conveyed to the purchaser and continues for a period of two years thereafter; and
- (ii) as to each Common Element as to which the Declarant makes this warranty, the warranty begins on the later of (a) the date of completion of such Common Element, or (b) as to any Common Element within any Convertible Real Estate or any Additional Real Estate or portion thereof, the date the first Unit therein is conveyed to a bona fide purchaser, and continues for a period of two (2) years thereafter.

EXCEPT AS SET FORTH ABOVE, THERE ARE NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESSED OR IMPLIED.

Judgments and Lawsuits

There are no judgments against the Association and there are no lawsuits pending against the Condominium of which the Declarant has any knowledge.

Deposits

Any deposits made in connection with the purchase of a Unit shall be held in an escrow account in accordance with the provisions of Section 3408 of the

Act. Any such deposit will be returned to the purchaser if he cancels an Agreement of Sale pursuant to Section 3406 of the Act.

Restraints on Alienation

Except as provided by Section 18 of the Declaration, there are no restraints on alienation of any portion of the Condominium.

Insurance Coverage

The Association shall obtain and maintain insurance coverage for the Condominium as follows:

(1) Property insurance against all risks of direct physical loss commonly insured against. Such insurance shall cover both the Units and Common Elements, but not improvement and betterments installed by Unit Owners. SUCH IMPROVEMENTS AND BETTERMENTS ARE NOT COVERED BY THIS INSURANCE AND EACH UNIT SHOULD MAINTAIN SEPARATE INSURANCE FOR SUCH PROPERTY. The Association's property insurance will be in an amount equal to 100% of the current replacement cost of the property insured, exclusive of land, excavations, foundations and similar items. All proceeds of this policy will be payable to the Association.

(2) Comprehensive general liability insurance, including medical payments insurance, insuring Unit Owners (in their capacity as Unit Owners), members of the Executive Committee and any management agent against any liability to the public or to the Unit Owners, their tenants or invitees. The initial single limits of liability shall be at least \$1,000,000 for death or personal injury or property damage. EACH UNIT OWNER SHOULD MAINTAIN HIS OWN LIABILITY INSURANCE FOR HIS OWN UNIT.

The Association may carry such other policies of insurance it deems appropriate to protect the Association or Unit Owners.

In the event that any Building is damaged or destroyed, such damage or destruction shall be repaired by the Association using available proceeds of insurance unless the Condominium is terminated, the repair would be illegal under any applicable statute or ordinance, or 80% of the Unit Owners, including every owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild, as provided in Section 3312(g) of the Act.

Fees and Charges

Except for the Common Expense assessments referred to above, Declarant does not expect to cause or have any other charges imposed upon the Unit Owners for the use of Common Elements or other facilities related to the

Condominium.

Reserves

No reserves for capital expenditures have been provided in the attached Projected Budget of the Association.

Structural Components, Etc.

All structural components and major utility installations in the Condominium will be new when installed and will have been constructed within six months immediately preceding the date on which the Building of which they are a part is annexed to the Condominium. The useful life (based solely upon manufacturer's representations and reasonable expectations) and estimated cost of replacing such items for each Unit (based upon 1990 costs) is as follows:

<u>COMPONENT OR UTILITY INSTALLATION</u>	<u>USEFUL LIFE</u>	<u>REPLACEMENT COST PER UNIT</u>
Roofing	20 years	\$ 900.00
Bearing Walls and Roof System	50 years	\$8,000.00
Plumbing System	50 years	\$3,700.00
Electrical System	50 years	\$2,025.00
Heating and Air Conditioning	20 years	\$3,900.00