

**PUBLIC OFFERING STATEMENT FOR**

**CAMERON'S KNOLL  
A PLANNED COMMUNITY**

**WITHIN SEVEN 7 DAYS AFTER RECEIPT OF THIS PUBLIC OFFERING STATEMENT OR AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT MATERIALLY AND ADVERSELY AFFECTS THE RIGHT OR OBLIGATION OF A PURCHASER, THAT PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT FROM THE DECLARANT, READING ROAD CORPORATION.**

**IF THE DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS TO A PURCHASER BEFORE CONVEYING A UNIT IN THE PLANNED COMMUNITY, THE PURCHASERS MAY RECOVER FROM THE DECLARANT DAMAGES AS PROVIDED IN SECTION 5406(C) OF THE UNIFORM PLANNED COMMUNITY ACT (RELATING TO THE PURCHASER'S RIGHT TO CANCEL.)**

**SECTION 5406(C) OF THE UNIFORM PLANNED COMMUNITY ACT PROVIDES THAT A PURCHASER HAS THE RIGHT TO CANCEL AN AGREEMENT OF PURCHASE UPON SEVEN (7) DAYS WRITTEN NOTICE PRIOR TO CONVEYANCE AND TO RECEIVE A REFUND OF ANY DEPOSITS PREVIOUSLY MADE.**

**IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN SEVEN (7) DAYS BEFORE SIGNING A CONTRACT TO PURCHASE A UNIT IN THE PLANNED COMMUNITY, THE PURCHASERS CANNOT CANCEL THE CONTRACT UNLESS THERE IS AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT HAS A MATERIAL AND ADVERSE EFFECT ON THE RIGHTS OR OBLIGATIONS OF THE PURCHASER.**

The following declarations are hereby made by Misty River, LLC, a Pennsylvania limited liability company, together with its successors and assigns (whether by voluntary or involuntary transfer), all of whom are hereinafter referred to as the "Declarant".

Section 1.01 The name and address of the Special Declarant is Misty River, LLC, with an address of 1935 Lancaster Pike, Peach Bottom, Lancaster County, Pennsylvania 17563.

Section 1.02 The name and address of the planned community is Misty River, LLC, a planned community, with an initial mailing address of 1302 Lancaster Pike, Quarryville, PA 17566.

Section 1.03 As presently planned, the Community will consist of twenty (20) single lots. The Community will not include common areas. Development within Cameron's Knoll will begin in the winter of 2007. The streets and common areas will be constructed in one phase; with a minimum of 1 residential unit per year to be completed within that phase. It is estimated that all of the units will be completed not later than 2010.

Section 1.04 The Declarant, or its agent or assigns, will prepare the lot site for construction of the home and will construct the dwelling upon that lot. The owner will be responsible for the cost of the lot, as well as the cost of building the dwelling on the lot. It is estimated that the development and sale of all of the lots will be completed on or about December 31, 2010\_.

Section 1.05 The Declarant has reserved no option to withdraw real estate under Section 5206(1) of the Uniform Planned Community Act. The Developer has not reserved the right to add real estate to the Community under Section 5206(1) of the Uniform Planned Community Act.

Section 1.06 Copies of the Declaration for Cameron's Knoll and the First Amendment to the Declaration (Exhibit B), the Regulations (Exhibit C), and the Bylaws of the Association (Exhibit D) have been included with this Public Offering Statement. These documents contain provisions relating to the obligations of the Association to the owners, the obligations of the owners to the Association and other owners, restrictions, rules and regulations concerning the use of the units and the conduct of residents of the units, the operation and voting procedures of the Association, and the financial obligations imposed upon owners of units in Cameron's Knoll with respect to the repair and maintenance of the Common Elements and Controlled Facilities in Cameron's Knoll. The Declarant and the Association have not entered into a management agent agreement for the management of the community.

Section 1.07 A copy of the projected budget for the Association prepared by Misty River, LLC, has been included with this Public Offering Statement (Exhibit F). The projected budget is based upon an average yearly Association fee of \$365.00. The

project budget assumes occupancy of twenty (20) Units. The budget contains a projected reserve to provide for anticipated future capital expenditures or reserves in the amount of \$49.05 per unit.

Section 1.08 The Declaration provides for direct billing (not included in the annual budget of the Association) to a unit owner of a limited range of services to improvements located on the Owner's lot.

Section 1.09 Each Owner shall pay at the time of conveyance a one time transfer assessment in an amount equal to \$2,750. This amount may be altered by the Declarant or the Association from time to time without amendment to the Declaration and shall be paid in addition to, and not in lieu of, the regular Assessments for General Common Expenses, Limited Common Expenses and Recreational Facilities Expenses payable with respect to the year in which such conveyance takes place.

Section 1.10 Liens, defects or encumbrances on or affecting title to Cameron's Knoll are disclosed on Exhibit E.

Section 1.11 There is no financing for purchasers of units offered or arranged by the Declarant.

Section 1.12 The only warranty provided by the Declarant is the two (2) year statutory warranty against structural defects contained in Section 5411 of the Act. Structural defects means defects in any structure which is a component of (1) any unit or common element; or (2) any other portion of a unit or common element constructed, modified, altered or improved by or on behalf of a Declarant; any of which reduce the stability or safety of the structure below accepted standards or restrict the normal intended use of the structure and require repair, renovation, restoration or replacement.

**To the extent permitted by applicable law, Declarant disclaims any implied warranties applicable to any unit or common elements to which the warranty provided by Section 5411 of the Act applies.**

Section 1.13 [See Disclosures on face page.]

Section 1.14 The Declarant represents that to its knowledge there are no judgments or pending suits against the Declarant, Cameron's Knoll, or Cameron's Knoll Homeowners Association.

Section 1.15 Any deposit made by a purchaser in connection with the purchase of any lot within Cameron's Knoll will be held, pending final settlement, in an escrow account in accordance with the provisions of Section 5408 of the Uniform Planned Community Act and will be returned to the purchaser if the purchaser cancels the contract to purchase the unit in accordance with Section 5406 of the Act.

Section 1.16 There are no restraints on alienation of a unit in Cameron's Knoll, except as set forth in the Declaration relating to a transfer assessment imposed upon all transfers of Lots within Cameron's Knoll and the requirement that all property shall be

held, transferred, sold, conveyed, leased and occupied subject to the Declaration and any amendments thereto.

Section 1.17 No insurance coverage is provided by the Declarant for the Owners in Cameron's Knoll.

Section 1.18 There are no unusual or material circumstances, features and characteristics of Cameron's Knoll or the lots, which are presently known to the Declarant.

Section 1.19 The Controlled Facilities are to be mowed, plowed and otherwise maintained by the Association, as specified in the Declaration.

Section 1.20 All structural components and major utility installations have been or will be built or constructed by the Declarant on or about December 31, 2010. The expected useful life of such improvements, properly maintained, is not less than ten years.

Section 1.21 The Declarant states that it is anticipated that votes within Cameron's Knoll Homeowners Association will be allocated as follows: each member in good standing shall be entitled to one (1) vote for each Lot of which he or she is the Owner. When more than one (1) person or entity is the Owner of any Lot, the vote for such lot shall be exercised as they among themselves may determine, but in no event shall more than one (1) vote be cast with respect to any such Lot. Absent an amendment to the Declaration and the bylaws of the Association, cumulative voting and class voting are not permitted.

Section 1.22 The Declarant is not aware of any circumstances under which Cameron's Knoll Homeowners Association is to become a master association or part of a master association. The Association shall, however, reserve this right should additional land be acquired.

Section 1.23 Declarant states it will obtain all required municipal approvals for the development of Cameron's Knoll and all other governmental approvals required for Cameron's Knoll.

Section 1.24 Declarant knows of no outstanding or uncured notices of violations of any governmental regulation or requirements with respect to Cameron's Knoll.

Section 1.25 The Declarant has no present knowledge of any hazardous conditions including contamination affecting the Cameron's Knoll site.

Section 1.26 There are no presently planned facilities or amenities in Cameron's Knoll which the Declarant shall be obliged to construct or complete except for streets and curbs, water, sewer, gas, phone, cable TV and storm sewer.

- (a) Each of the foregoing improvements will be completed in phases as the development of Cameron's Knoll progresses and individual units are sold.

- (b) The Declarant has the necessary funding committed to complete the facilities and amenities from either working capital or from existing banking sources.
- (c) When development of Cameron's Knoll has been completed, the owners of Lots in Cameron's Knoll, through Cameron's Knoll Homeowners Association, will have responsibility for the mowing, plowing and maintenance of the Controlled Facilities, as identified in the Declaration.

Section 1.27 A summary of the provisions contained within the Declaration of Covenants, Restrictions and Easements of Cameron's Knoll, a Planned Community is contained in Exhibit A.

Section 1.28 The Declarant reserves the right to amend this and any other public offering statement if required by law or by changed circumstances.

RECEIPT OF THE FOREGOING PUBLIC OFFERING STATEMENT IS HEREBY ACKNOWLEDGED.

Date: \_\_\_\_\_

WITNESS:

PURCHASER(S):

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EXHIBIT A

Cameron's Knoll  
a Planned Community

Summary of Declaration of Covenants, Restrictions and Easements

**DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS  
OF  
CAMERON'S KNOLL  
a Planned Community**

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**EXECUTIVE SUMMARY**

The Declarant intends (but is not required) to build up to twenty (20) Units. Each Owner will be a member of the Cameron's Knoll Homeowners Association (Association). Each Owner is responsible for maintaining his or her lot, including mowing and maintaining the front, rear and side yard of each Dwelling, as well as plowing and shoveling snow and ice, from the driveway and sidewalk associated with each Dwelling. The Association is responsible for maintaining the Storm Water Management Facilities, including the Wet Ponds; street lighting, pedestrian paths, sidewalks and unpaved areas adjacent streets within or bordering the Community. The Association is charged with the responsibility of maintaining a uniform appearance in Cameron's Knoll through the enforcement of the provisions of the Declaration and the Rules and Regulations. The Association is also responsible for common costs such as management fees, insurance and a reserve fund associated with its responsibilities. Each owner must pay a monthly fee to the Association in order for the Association to meet its financial obligations. Each Dwelling and Owner is subject to rules and regulations.

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**SUMMARY**

The real property subject to the Declaration is being developed to provide a planned residential community with a uniform appearance and to further provide for maintenance of common elements, including the Wet Ponds. This maintenance shall include: maintaining the surface of Wet Ponds, mowing, trimming and shrubbery located inside the fence around each Wet Pond, routine cleaning of inlets and outlets, and any other drainage facilities associated with the Wet Ponds; and the maintenance of the fences themselves (subject to the Unit Owner's obligations to maintain the surface of all other storm water and drainage easement areas by providing mowing and shrubbery trimming as needed). To that effect, the Declarant has subjected all property and improvements constructed upon the property, identified within Exhibit A of the Declaration (hereafter referred to as "Property") to covenants, restrictions, easements, charges, obligations and liens as set forth within the Declaration. All property shall be held, transferred, sold, conveyed, leased and occupied subject to the Declaration and any amendments thereto.

**Article 1. Submission; Defined Terms**

Declarant has submitted all of the Property, as described in Exhibit A, to the provisions of the Declaration

Further, Article 1 defines terms used through the Declaration, and any term not so defined is given the meaning associated with that term in the Pennsylvania Uniform Planning Community Act of 1996.

## **Article 2. Common Expense Allocation; Vote in Association; Unit Identification and Boundaries; Maintenance Responsibilities; Subdivision of Units**

Common Expenses are allocated equally among all of the Units in the Community. Common expenses are assessed against all Units in the Community at a rate which is the percentage equivalent of a fraction, the numerator of which is 1 and the denominator of which is the total number of Units in the Community at the time of the assessment. Each Unit Owner is entitled to one vote in the affairs of the Association. Unit Owners are responsible for maintaining and repairing their Units and all structure and improvements erected within the boundaries of the Unit, as well as the surface of all storm water easement areas, utility easement areas and other easement areas within the borders of the Unit.

## **Article 3. Common Elements**

Common Elements include, but are not limited to, Storm Water Management Facilities, including the retention ponds, within the Community; street lighting, pedestrian paths, sidewalks and unpaved areas adjacent streets within or bordering the Community; sidewalks and unpaved areas between Units and streets within the Community; Storm Water Management Facilities and areas upon the three lots containing the wet ponds; signs identifying the Community; all streets and roads within the Community, but only if not accepted for dedication by the Township; and sanitary sewer lines and facilities. the Association shall be responsible for and shall maintain and repair all Common Elements, including Controlled Facilities, with the costs thereof being Common Expenses, excepting sidewalks located upon a Unit or located between a Unit and a street, and unpaved areas between a Unit and a street.

## **Article 4. Easements**

In addition to easements provided by the Act, the Declarant reserves the right to place signs and other advertisements within the Common Elements. The Units and Common Elements are made subject to easement in favor of appropriate utility and service companies and governmental agencies or authorities for such utility service and lines. Declarant reserves an easement over and under the Common Elements for the purpose of constructing and modifying the Storm Water Management Facilities, and Declarant has reserved the unconditional right to grant perpetual easements in, upon, under, through, over and above Common Elements and all units for limited purposes, such as installing, maintaining, repairing, replacing, using, operating and improving Storm Water Management Facilities, or components thereof, to serve the Property. The rights and powers reserved by Declarant are exercisable without the consent, vote, or approval of the Association or each Owner.

#### **Article 5. Amendment of Declaration**

The Declaration can be amended pursuant to the provisions of the Act, which allows amendment upon the vote of 67% of the votes in the Association.

Notwithstanding anything in the Declaration to the contrary, the prior written approval of at least 51% of Eligible Mortgage Holders is required for any material amendment to the Declaration or the Bylaws or Articles of Incorporation of the Association.

#### **Article 6. Architectural Control and Design, Use Restrictions and Other Obligations**

The restrictions include prohibitions against using structures for a purpose other than residential purposes, posting of signs, hanging of laundry, the use of storage sheds, leasing of Units, limitations on the types of permitted pets and the conduct of loud or offensive activities. The Property shall be subject to additional Rules and Regulations adopted by the Executive Board.

#### **Article 7. Mortgages**

The mortgage of any Unit or Common Element shall be deemed to be subject to the provisions of the Act and the Declaration.

#### **Article 8. The Executive Board; Insurance**

The Executive Board shall have the power and duties set for in the Act and shall be able to, among other actions, create and delegate powers to committees, engage the services of a manager or managing agent, engage the service of persons deemed necessary by the Executive Board, and borrow money in the name of the Association. The Executive Board shall cause the Association to obtain all insurances required under the Act.

#### **Article 9. Budgets; Common Expenses; Assessments and Enforcement**

The Association has the power to levy assessments against all Units. The Association shall establish a reserve account for maintenance, repair and replacement of the Common Elements. Any delinquent Unit Owner shall be obligated to pay all expenses of the Executive Board, including reasonable Attorney's fees incurred in the collection of any delinquent assessments by legal proceedings or otherwise.

#### **Article 10. Rights of Certain Mortgagees and Other Required Consents**

The holder of a first lien mortgage on a Unit or its services shall be entitled to receive information from the Association, including, copies of budgets, notices of assessments, copies of notices of meeting and the right to designate a representative to attend such meetings, and notice of any default by the owner of the Unit which is subject to the mortgage.

#### **Article 11. Declarant's Rights**

Declarant shall maintain control of the Association until the 60<sup>th</sup> day after the conveyance of 25% of the total number of Units, at least one, but not less than 25% of the members of the Executive Board, shall be elected by the Unit Owners. Upon the conveyance of 50% of the total number of Units, not less than 33% of the members of the Executive Board shall be elected by the Unit Owners. Upon the conveyance of 75% of the total number of Units or two years after the Declarant has ceased to offer Units for sale in the ordinary course of business, not less than 50% of the members of the Executive Board, shall be elected by the Unit Owners

Declarant maintains the right to transfer any or all of the special rights and obligations of the Declaration set forth in the Declaration, the Bylaws or the Act.

#### **Article 12. Duties of Officers and Members of the Executive Board; Limitation of Liability**

In the performance of their duties, the officers and member of the Executive Board shall stand in a fiduciary relation to the Association. No Executive Board member, in his official capacity, shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless he has breached or failed to perform the duties of his office.

#### **Article 13. General Provision**

The Declaration and each of the covenants, easements and restrictions contained therein, shall constitute covenants, restrictions and easements running with the land, in perpetuity, whether or not any deed conveying the Property or any Lot shall expressly refer to the Declaration, and shall be binding on and benefit the Declarant and all Owners, and their respective heirs, executors, administrators, successors and assigns. The Declarant, the Association, and any Owner shall each have the right to enforce the covenants and restrictions.

EXHIBIT B

Cameron's Knoll  
a Planned Community

Declaration of Covenants, Restrictions and Easements

# EXHIBIT C

Cameron's Knoll  
a Planned Community

Rules and Regulations

EXHIBIT D

Cameron's Knoll  
a Planned Community

BYLAWS

## EXHIBIT E

List of Recorded Easements and Licenses for Lands Contained within  
Cameron's Knoll,  
a Planned Community

EXHIBIT F

Cameron's Knoll Homeowners Association  
Initial Budget

EXHIBIT G

Agreement of Sale for Properties Located Within  
Cameron's Knoll,  
a Planned Community