

RULES AND REGULATIONS
OF
The Cottages at Old Saucon

A. INTRODUCTION

1. The homeowners association for The Cottages at Old Saucon (the "Association"), acting through its Executive Board (the "Board"), has adopted the following Rules and Regulations (the "Regulations"). These Regulations may be amended from time to time by resolution of the Board.
2. Wherever in these Regulations reference is made to "Homeowners," such term shall apply to the owner of any Unit, to his or her family, tenants whether or not in residence, servants, employees, contractors, agents, visitors and to any guests, invitees or licensees of such Unit Owner, his or her family or tenant of such Unit Owner, Wherever in these Regulations reference is made to the Association, such reference shall include the Association and the Managing Agent, if any, when the Managing Agent is acting on behalf of the Association.
3. The Unit Owners shall comply with all of the Regulations hereinafter set forth governing the property.
4. The Board reserves the right to alter, amend, modify, repeal or revoke these Regulations and any consent or approval given hereunder at any time by resolution of the Association or the Board. Notwithstanding the foregoing, the Declarant, as defined in the Declaration, shall have the right to veto any and all alterations, amendments, modifications which may have any direct or indirect detrimental impact upon the Declarant, as may be determined in the discretion of the Declarant.
5. Some Regulations are taken in whole or in part from applicable provisions in the Declaration or the Act. In the event of any conflict or ambiguity, the applicable provisions of the Declaration or the Act shall govern, Terms not defined herein shall have the meaning given for such terms in the Declaration.
6. Because our neighborhood combines proximate living with home ownership, it is imperative that each member of this community be aware and respectful of the rights of his/her neighbors and his/her own obligations. These Regulations are not designed to constrict lifestyles in any unreasonable manner, but rather are designed to ensure a clean, quiet, safe, and valuable environment for all.
7. The Executive Board is empowered by the Act, the Declaration, the Bylaws, and these Regulations to take such legal and/or administrative action as may be necessary to ensure that all those subject to the Regulations adhere to the provisions of these Regulations. Because violations either may be unintentional, the result of a misunderstanding, or easily remedied by informal means, an internal administrative enforcement mechanism has been established in Section K of these Regulations. The Regulations will be enforced, without discrimination, for the benefit of all members of our community.

B. RESTRICTIONS ON USE AND OCCUPANCY

1. Units shall be used for residential purposes. A Unit may also be used for No Impact Home Based Businesses as provided in the Declaration.

2. The Occupancy Restrictions for a "55 and over" community set forth in Article XVII of the Declaration and the Sale and Leasing Restrictions set forth in Article XV of the Declaration must be adhered to by each Unit Owner.
3. No auction or sale of personal property shall be held in any Unit without the prior written consent of the Executive Board. Open houses must be scheduled in advance with board of the homeowners association.
4. Use of equipment (including but not limited to musical instruments, televisions, audio or other equipment) creating noise or vibration that unreasonably disturbs, annoys or interferes with the quiet enjoyment, comfort and convenience of other occupants of the Property is not permitted in any Unit. Special care in using such equipment should be taken between the hours of 9:00 P.M. and 8:00 A.M. This restriction shall not apply to Declarant's construction activities.
5. Garbage and recycling are collected once a week. Each Unit may put trash cans provided by the waste company at the end of their driveway on the previous evening.
6. Each Unit Owner shall keep his or her Unit in a good state of preservation, maintenance, repair and cleanliness.
7. No "For Sale," **For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted on any Unit other than those permitted be displayed by the Declarant.
8. Except for awnings and shutters approved or installed by the Declarant or approved by the Executive Board, no Unit Owner shall cause or permit anything to be hung, displayed or exposed on the exterior of a Unit whether through or upon windows, doors or the exterior of such Unit.
9. No Unit shall be used for any unlawful purpose and no Unit Owner shall do or permit any unlawful act in or upon his or her Unit.
10. Unit Owners shall keep the interior and exterior portion of their windows in clean condition.
11. Unit Owners may maintain by way of example, but not by way of limitation, outdoor chairs, tables and grills upon the patio or deck appurtenant to their Unit, provided the outdoor furniture and furnishings are clean and maintained in good order. Outdoor chairs, tables and grills may not be used or kept on lawns, steps or stoops.
12. No sports equipment, tools or any other personal property may be stored or left on any patio, deck, or in the area around the Unit.
13. No TV, radio or television antennas or satellite dish can be placed in the ground. If placed on the Unit, no wires can be exposed. In no event shall a satellite dish be larger than 24 inches in diameter.
14. Any awning or storm doors in which the Unit Owner wants to add after settlement must be approved by the Board. All shades and blinds should be light colored or earth-tones and in no event should plastic or sheets be placed over any windows.

15. Gas fire pits are permitted at the discretion of the Board.
16. Garden hoses must be neatly-coiled on the ground, not on lawn areas.
17. No holiday decorations or holiday lights may be displayed on any Unit until after Thanksgiving Day. All holiday decorations must be removed by January 30th. Pumpkins may be displayed two weeks prior to Halloween through one week after Thanksgiving.
18. No artificial vegetation shall be permitted on the exterior of any portion of any Unit.
19. No sledding, ice skating, trampolining, street hockey, snowboarding or snowmobiling is permitted on the Property.
20. The discharge of firearms, firecrackers, explosives and/or incendiary devices within the Property is prohibited. The term "firearms" includes, by way of example, but not by way of limitation, rifles, shotguns, pistols, paint pellet guns, BB guns, pellet guns, and all other arms of all types, regardless of size, weight or use which is capable of discharging any projectile of any size.
21. No pools or sandboxes shall be erected, constructed, used or installed. Hot tubs must be approved by the board and be in compliance with township rules.
22. The restrictions set forth above shall not apply to Declarant's construction or marketing activities

C. RESTRICTIONS APPLICABLE TO PARKING AND MOTOR VEHICLES

1. All vehicles and personal property in vehicles placed in any portion of the driveways or street areas shall be at the sole risk of the Unit Owner and the Association shall in no event be liable for the loss, destruction, theft or damage to such property. No long-term, permanent or regularly recurring on street parking is permitted. On street parking is for deliveries, guests and other short term needs only.
2. Driveways may not be used for any purpose other than the parking of automobiles, SUV's, passenger vans and pick-up trucks. A pick-up truck is defined as personal vehicle, not registered as a "Truck". It has no signage, toolboxes, ladders, racks, additional roof-mounted or rear shining lights. A pick-up truck must also fit into the Unit garage. No buses, trucks, trailers, boats, vans (other than passenger vans), stretch vehicles, recreational or commercial vehicles shall be parked in driveways. All vehicles must have current license plates and be in good order and operating condition. No vehicles shall be parked on the Property with conspicuous "For Sale" signs attached. This restriction shall not apply to Declarant's construction activities. All Unit Owners shall observe and abide by all parking and traffic regulations set forth herein or as posted by the Association or by municipal authorities. Unless posted to the contrary, the speed limit on the roadways in the Community is 15 miles per hour. Vehicles parked in violation of any such regulations may be towed away at the Unit Owner's sole risk and expense.
3. Parking so as to block aisles, sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Unit Owner, any member of his family, tenants, guests, invitees or licensees shall be illegally parked or abandoned on the property, the vehicle may be

towed at the expense of the Unit Owner and the Association shall be held harmless by such Unit Owner for any and all damages or losses that may ensue, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Unit Owner shall indemnify the Unit Owners Association against any liability which may be imposed on the Association as a result of such illegal parking or abandonment and any consequences thereof.

4. No vehicle shall be left unattended on a jack, and no vehicle shall be placed upon blocks or ramps.
5. No draining or changing of any motor vehicle fluids, fuels, lubricants, refrigerants or oils may be performed on driveways. No motor vehicle fluids, fuels, lubricants, refrigerants or oils may be held, stored, treated, or disposed on the Common Elements.
6. No vehicle repairs or maintenance may be performed on the Property. Only minor vehicle maintenance, which includes waxing vehicles, washing, cleaning windshields, vacuuming, replacing windshield wipers, touch-up painting of scratches, changing flats or jumping batteries, may be performed on the Property.
7. Golf Carts are permitted provided they are in accordance with all Township and governmental rules and regulations.
8. No vehicle may be parked in a manner so as to block or impair access to any fire hydrant, mail box, ramp, or driveway.
9. Notwithstanding anything contained in this Section C, nothing herein shall apply or limit the Declarant with respect to Declarant's construction and/or marketing activities or any other activities of Declarant or authorized by Declarant.

D. PET RULES

1. The keeping of pets is restricted under the Declaration. Pets permitted under the Declaration ("Permitted Pets") may be maintained in a Unit so long as they are not a nuisance, Actions which will constitute a nuisance include, but are not limited to, abnormal or unreasonable noise, crying, scratching or unhygienic offensiveness, Visiting pets are permitted.
2. All Permitted Pets must be inoculated as required by law and registered with the Association. All Perm Tropical fish are excluded from this limitation.
3. Permitted Pet owners are fully responsible for personal injuries and/or property damage caused by their pets. Any Owner of a Permitted Pet on the Property shall be obligated to exercise proper care and custody over the pet to ensure the health and welfare of the other residents of the Property and preservation of the Property.
4. Permitted Pets must be leashed or carried and accompanied by an adult whenever outside the Unit unless homeowner has an invisible fence and the pet respects its boundaries.
5. Permitted Pet waste must be removed immediately from all areas of the Community.
6. No Unit Owner may maintain, raise, breed or keep more than (4) four pets within the Unit.

7. No dog houses, dog runs, stakes, animal pens or cages may be installed, erected or used on the Property. Invisible fences are permitted.

E. CONSTRUCTION REGULATIONS

1. 1. Contractors are responsible for removing their construction debris and trash from the Property. No construction debris or materials are to be placed in Common Elements. Contractors must make their own arrangements for removal of construction debris after scheduling and coordinating with the management. Dumpsters shall be emptied or changed on a regular basis and in no event shall be left for more than 72 hours when not in active use.
2. 2. Contractors are only permitted to work in the Property between the hours of 8:00 A.M. to 6:00 P.M. Monday through Friday. Any additional hours must be approved in writing in advance by the board. Contractors must be out of the Property between 6:00 P.M. and 8:00 A.M. This provision shall not apply to the Declarant, Declarant's agents, employees and designees or any of Declarant's activities, including but not limited to its construction activities.
3. 3. Unit Owners will be fined for non-compliance with these rules and regulations. The Association may declare a requirement that an individual Unit Owner post a fund to be held in escrow and used for collection of fines, if in the Association's opinion, the Unit Owner's contractors have failed, or previously had failed, to abide by these rules and regulations. The unused portion of the fund will be returned to the Unit Owner upon completion of all work.
4. Each Unit Owner is responsible for requiring their contractors and builders to comply with all legal requirements including, but not limited to, obtaining permits, which must be displayed at the site.
5. Permits are required for dumpsters to be placed on streets. Only high-boy dumpsters may be used. Dumpsters must be kept locked at all times and must be securely tarped each night. The area surrounding the dumpster must be cleaned periodically throughout the day and at the end of each day.
6. Notwithstanding anything contained in this Section E, nothing herein shall apply to or limit the Declarant activities on the Property or any construction activities authorized by Declarant.

F. LEASING OF UNITS

1. Unit Owners shall comply with the provisions of Article XV of the Declaration regarding Leasing.
2. No portion of a unit (less than the entire Unit) may be leased for any period.
3. All leases must be written and copies must be submitted to the Association ten (10) days prior to the tenant's move into the Home.

4. No subleasing is permitted.

G. SIGNS

1. No signs of any kind are permitted, with the exception of "Open House" signs which are permitted only on the day of the Open House. Only one sign is permitted in front of the Unit, The Unit Owner must promptly remove the Open House sign when the Open House is concluded. Open House signs may not be displayed at any other time.
2. Except as may be permitted by prevailing statutory law, no flags other than the flags of the United States of America and/or the Commonwealth of Pennsylvania may be flown or displayed on or from any Unit.
3. No Unit Owner may erect, permit or condone the erection of any other sign, banner, bunting, advertisement or notice in, on or about the patio or Unit if visible from outside the Unit without the prior written permission of the Board.

H. ADDITIONAL COMMON AREA AND UNIT USE RESTRICTIONS

1. Catch or detention basins, drainage areas and storm water control improvements are for the sole purpose of controlling the natural flow of water. No personal property, decorations, obstructions, trash, rubbish, cuttings, trimmings or debris shall be placed in these areas or facilities by any Unit Owner.
2. None of the following items, by the way of example and without limitation, are permitted on any Common Element or Limited Common Element: (i) Wind chimes, speakers, and any other noise producing items; (ii) Decorative flags; (iii) Fences or barriers except those provided by the builder or approved by the Association Board; (iv) Sheds, storage cabinets or other containers; or (v) Signs.
3. No firewood may be stored anywhere on the Property.

WORKING CAPITAL CONTRIBUTION

1. A working capital contribution to the Association of \$500 in which the title to a Unit is assigned, conveyed or transferred shall be payable by the person, persons or entity taking title to a Unit at the time of the assignment, conveyance or transfer of the title, The working capital contribution shall be disclosed in all Resale Certificates issued by the Association in accordance with Section 3407 of the Pennsylvania Uniform Condominium Act.
2. The working capital contribution is non-refundable.
3. The working capital contribution is an assessment and constitutes a lien against the Unit, and shall be the personal obligation of the new Unit Owner.
4. No working capital contribution shall be payable upon a purely gratuitous transfer between spouses, domestic partners, former spouses, parent and child, siblings, or grandparent and grandchild, or a trust for the benefit of any of them. A gratuitous transfer is a transfer of the title to a Unit to one of the persons identified above for no consideration or benefit. It shall be the obligation of the new Unit Owner who is asserting that he, she, it or they

have received title to a Unit through a gratuitous transfer of the title to provide the Board with copies of the deed, settlement sheet or HUD 1 form, transfer tax form and the affidavit of the new Unit Owner, demonstrating that there has been a gratuitous transfer of the title to a Unit. The Board shall have the power to make the determination of whether a gratuitous transfer has been made.

J. INSURANCE AND CLAIMS (This is intended to be a guide only and not a substitute for consultation with and reliance upon your insurance agent.)

1. The Association will maintain insurance policies as outlined in Article X of the Declaration.
2. The Association does not insure against rent loss in the event the Unit becomes uninhabitable. The master policy and the Association will not honor any claims for loss of rents. It is also suggested that tenants be required to purchase HO-4-Renter's Insurance.

K. THE INTERNAL DISPUTE RESOLUTION COMMITTEE

1. The Executive Board shall appoint three (3) Unit Owners to serve one (1) year terms as members of the Association "Internal Dispute Resolution Committee." Two members shall constitute a quorum and two votes shall be required for any Committee decision. The Committee shall elect its own Chairperson. Any members of the Committee may serve on the Executive Board.
2. The "Internal Dispute Resolution Committee" shall be empowered to receive, investigate, attempt to resolve, hold hearings on, and recommend sanctions arising out of complaints from Unit Owners, lessees, mortgagees, or other aggrieved parties concerning alleged violations of the provisions of the Declaration, the Bylaws and/or these Regulations.
3. Upon receipt of a written and signed Complaint Form (to be provided by the Board), the Chairman of the Committee shall present the same to the HOA who shall then attempt to informally resolve the dispute in a fair and equitable manner.
4. If the Board has not resolved the dispute to the complainant's satisfaction within seven (7) days, the Committee shall then give the alleged violator at least ten (10) days notice of a hearing to be held to hear the charges of the complainant. Notice of the hearing date and time and the parties involved shall be mailed to all resident owners. The hearing shall be held no more than thirty (30) days after the formal complaint has been filed with the Committee.
5. The hearing shall be conducted as an informal, quasi-judicial proceeding. All parties shall have the right to be represented by counsel, to call witnesses, to introduce documentary or other evidence, and to confront and cross-examine witnesses. Formal rules of evidence shall not be used. Each party shall have the right to have the proceeding transcribed by a court reporter, but the costs shall be borne by the party requesting the transcription and shall be paid in advance.
6. In order to ensure an unbiased tribunal, no member of the Committee may sit and hear a case in which he/she has a personal relationship with either party to the proceeding or in which he/she is intimately involved in any other respect. If any member of the Committee

shall excuse him/herself, or be otherwise unavailable, the Executive Board shall appoint another disinterested Unit Owner to temporarily sit in his/her stead,

7. After a full hearing on the dispute, the Committee shall make a written report to the Executive Board and shall recommend sanctions if a violation has been found. The Committee shall make recommendations in accordance with the following Sanction Schedule depending upon the seriousness and frequency of the violation(s): 1) Reprimand/warning (2) \$ 50.00 Fine (3) \$ 100.00 Fine (4) \$ 200.00 Fine (5) \$ 500.00 Fine (6) \$1,000.00 Fine (7) Any of such Fines per day or per occurrence, as appropriate
8. Within twenty (20) days after receipt of the Committee Report, the Executive Board shall ratify the Committee decision and recommendation, unless the Executive Board finds that the decision is unsupported by the evidence and/or constitutes a manifest abuse of discretion.
9. In the event the Executive Board does not ratify in accordance with paragraph 8, the Executive Board may hold a second full hearing on the matter and reverse, revise or confirm the decision of the Committee. In such case, the Executive Board may also levy a fine different than that recommended by the Committee, and may also, in a proper case, require a repeat offender to deposit with the Association a Special Security Deposit of up to \$1,000.00 to protect the Association and its members against future violations.
10. Decisions of the Executive Board in these disputes are final as set forth in the Declaration.
11. An aggrieved Unit Owner, lessee, mortgagee, or occupant must first exhaust his/her internal remedies with the Committee and the Executive Board before he/she may seek redress under the provisions of the Declaration.
12. Fines shall be payable within ten (10) days of imposition and shall constitute assessment liens.
13. Sanctions pursuant to the Schedule set forth in paragraph 7 above are not exclusive of any other rights and remedies of the Association for violations or for restraining violations.
14. This Regulation K shall not apply to the Declarant.