FIRST AMENDMENT TO THE

PUBLIC OFFERING STATEMENT

FILED AND PRESENTED
BY

D.R. HORTON, INC. - NEW JERSEY,
A Delaware Corporation d/b/a SGS COMMUNITIES
having an office at
20 Gibson Place
Freehold, New Jersey 07728
for
Phase I (273 Homes)
out of a possible
397 Single Family Dwellings and Lots
Located on Mill Road (County Route 622)
Egg Harbor Township, Atlantic County, New Jersey
and designated as

THE VILLAGE GRANDE AT ENGLISH MILL

NOTICE TO PURCHASERS

THIS FIRST AMENDMENT IS FOR INFORMATIONAL PURPOSES ONLY. PURCHASERS SHOULD ASCERTAIN FOR THEMSELVES THAT THE PROPERTY OFFERED MEETS THEIR PERSONAL REQUIREMENTS. THE NEW JERSEY DIVISION OF CODES AND STANDARDS HAS NEITHER APPROVED NOR DISAPPROVED THE MERITS OF THIS OFFERING. BE SURE TO READ CAREFULLY ALL DOCUMENTS BEFORE YOU SIGN THEM.

THIS FIRST AMENDMENT HAS BEEN FILED AND IS PRESENTED PURSUANT TO THE PLANNED REAL ESTATE DEVELOPMENT FULL DISCLOSURE ACT (N.J.S.A. 45:22A-21 ET SEQ.) AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (N.J.A.C. 5:26-1.1 ET SEQ.)

HOUSING WITHIN THE VILLAGE GRANDE AT ENGLISH MILL IS INTENDED FOR OCCUPANCY BY PERSONS 55 YEARS OF AGE OR OLDER. WITH LIMITED EXCEPTIONS, A HOME MAY NOT BE OCCUPIED UNLESS AT LEAST ONE PERSON 55 YEARS OF AGE OR OLDER RESIDES IN THE HOME. NO CHILD UNDER THE AGE OF 19 YEARS MAY OCCUPY A HOME IN THE VILLAGE GRANDE AT ENGLISH MILL. THERE ARE NO EXCEPTIONS TO THE FOREGOING RULES, AND OTHER AGE RELATED RESTRICTIONS ARE CONTAINED HEREIN.

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: January 13, 2005
EFFECTIVE DATE OF FIRST AMENDMENT: March 25, 2008
REGISTRATION NUMBER: R-3823

PREPARED BY:
GREENBAUM, ROWE, SMITH & DAVIS, LLP
Metro Corporate Campus I
99 Wood Avenue South
Iselin, New Jersey 08830
(732) 549-5600

EXHIBITS

2. Projected Operating Budget based on Phase I (273 Homes) without amenities and including amenities and Full Occupancy (397 Homes), Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy

FIRST AMENDMENT
TO THE
PUBLIC OFFERING STATEMENT
FOR
THE VILLAGE GRANDE AT ENGLISH MILL

D.R. HORTON, INC. - NEW JERSEY, a Delaware Corporation, with an office located at 700 East Gate Drive, Suite 110, Mt. Laurel, New Jersey 08054, hereby amends its Public Offering Statement for Village Grande at English Mill, dated January 13, 2005 (the "Plan"), as set forth herein.

1. Section 1 of the text of the Plan captioned "INTRODUCTION" is amended as follows:

a. At the first paragraph by the deletion of the first sentence and the insertion of the following:

> "D.R. HORTON, INC. - NEW JERSEY, a Delaware Corporation (the "Developer"), d/b/a SGS COMMUNITIES, having an address at 700 East Gate Drive, Suite 110, Mt. Laurel, New Jersey 08054, presents herewith its Public Offering Statement for the establishment of a plan of ownership (the "Plan") with respect to approximately 199.73 acres of land which is contemplated to ultimately include up to three hundred and ninety-seven (397) single family dwellings and lots (the "Homes") together with certain other improvements, all to be located in the Township of Egg Harbor, County of Atlantic and State of New Jersey (the "Community")."

b. At the sixth paragraph by the deletion of the respective estimated completion dates for the Phases and the insertion of the following:

Section	Number of Homes	Estimated Completion Date
Phase I	273 Homes	October, 2009
Phase II	124 Homes	October, 2011

2. Section 3. of the text of the Plan captioned "DESCRIPTION OF THE CONDOMINIUM" is amended by the insertion of the following new paragraph between existing paragraphs 14 and 15:

"A new Wawa convenience store and gas station has been constructed by others adjacent to the southwest corner of the property at the intersection of Ocean Heights Drive and English Creek Road. The rear parking lot of the Wawa store connects to The Village Grande at English Mill via a public right-of-way named Dahlia Road. This access point is between Block 3322, Lot 3 and Block 3323, Lot 102 in the community"

3. Section 6. of the text of the Plan captioned "BUDGET" is amended and supplemented by the deletion of all references to prevailing costs for 2004 in Section 6 of the Plan and their replacement to prevailing costs for 2007.

4. Exhibit 2 to the Public Offering Statement captioned "Projected Operating Budget based on Phase I (273 Homes) without amenities and including amenities and Full Occupancy (397 Homes), Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy" is deleted in its entirety and replaced with Exhibit 2 appended to this First Amendment to the Public Offering Statement.

The Developer hereby represents that to the best of its knowledge, information and belief the statements and representations contained herein are true and accurate.

D.R. HORTON, INC. – NEW JERSEY, Developer

EXHIBIT 2

Projected Operating Budget based on Phase I (273 Homes) without amenities and including amenities and Full Occupancy (397 Homes), Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy

• NEW YORK CITY, New York 212-697-9552 212-697-8225 Fax
• BROOKLYN, New York 718-302-0777 718-302-2556 Fax
• LAWRENCEVILLE, New Jersey 609-896-0626 609-896-0650 Fax
• WEST LONG BRANCH, New Jersey 732-728-9500 732-728-2290 Fax
• VALLEY FORGE, Pennsylvania 610-650-0600 610-650-0700 Fax
• FAIRFAX, Virginia 703-995-1100 703-591-8785 Fax
• HACKENSACK, New Jersey 201-525-2600 201-525-2601 Fax
• WILMINGTON, Delaware 302-322-6505 302-322-5710 Fax

BUILDING FUTURES
WENTWORTH GROUP
REAL ESTATE SERVICES

• Wentworth Property Management Corp.
• Wentworth Property Management of New Jersey, Inc.
• Wentworth Construction & Maintenance Company, Inc.
• Wentworth Realty, Inc.
• Washington Insurance Brokerage
• Community Association Funding Company (CAFCO)

November 9, 2007

Mitchell Newman, Esq.
D.R. Horton, Inc.
700 East Gate Drive, Suite 110
Mt. Laurel, NJ 08054

RE: VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION, INC.

Dear Mitch:

We have prepared the estimated budget for The Village Grande at English Mill Homeowners Association, 273 Single Family homes, with no amenities, at 2008 costs, for inclusion in the Public Offering Statement.

It is our opinion, based on our prior experience in managing similar communities, proposals received from contractors, and information received from the sponsor, that the budgeted operating estimate is reasonable and adequate under existing circumstances and the estimated receipts shown will be sufficient to meet the normal anticipated operating expenses. The Reserves for Repair and Replacement were based on information received from the sponsor and its engineer and on our prior experience in managing similar communities.

Because of the possibility of unforeseen changes in the economy or increases or decreases in the expenses of operation, our estimates are not intended, and cannot be taken, as representation, guarantees or warranties of any kind whatsoever, nor as any assurance that the actual expense or income of the Association, for any period of operation, may not incur additional costs unforeseeable at this time, or that the Board of Directors may not provide for services not reflected in the estimate, or that the annual assessments for any period may not vary from the amounts shown here.

It may be expected, based upon current trends that such items as insurance, contracted labor and other related expenses will increase or decrease in the future.

Very truly yours,

WENTWORTH PROPERTY MANAGEMENT OF NEW JERSEY, INC.

By: _____
Stephen C. Doran, CMCA, AMS, PCAM
Vice President Developer Services

• NEW YORK CITY, New York
212-697-9292
212-697-8225 Fax

• BROOKLYN, New York
718-332-0777
718-332-2655 Fax

• LAWRENCEVILLE, New Jersey
609-895-9686
609-895-9690 Fax

• WEST LONG BRANCH, New Jersey
732-728-9690
732-728-9290 Fax

• VALLEY FORGE, Pennsylvania
610-650-0800
610-650-0700 Fax

• FAIRFAX, Virginia
703-385-1135
703-591-5785 Fax

• HACKENSACK, New Jersey
201-525-0600
201-525-0501 Fax

• WILMINGTON, Delaware
302-322-8125
302-322-5710 Fax

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WENTWORTH PROPERTY MANAGEMENT OF NEW JERSEY, INC.

By: _____
Stephen C. Doran, CMCA, AMS, PCAM
Vice President Developer Services

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212-697-9282
212-697-8225 Fax

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718-332-2558 Fax

• LAWRENCEVILLE, New Jersey
609-895-9025
609-895-9630 Fax

• WEST LONG BRANCH, New Jersey
732-720-0600
732-720-2290 Fax

• VALLEY FORGE, Pennsylvania
610-650-0600
610-650-0700 Fax

• FAIRFAX, Virginia
703-385-1133
703-591-5745 Fax

• HACKENSACK, New Jersey
201-525-0500
201-525-0501 Fax

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302-322-8035
302-322-5710 Fax

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November 9, 2007

Mitchell Newman, Esq.
D.R. Horton, Inc.
700 East Gate Drive, Suite 110
Mt. Laurel, NJ 08054

RE: VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION, INC.

Dear Mitch:

We have prepared the estimated budget for The Village Grande at English Mill Homeowners Association, 397 Single Family homes, with full amenities, at 2008 costs, for inclusion in the Public Offering Statement.

It is our opinion, based on our prior experience in managing similar communities, proposals received from contractors, and information received from the sponsor, that the budgeted operating estimate is reasonable and adequate under existing circumstances and the estimated receipts shown will be sufficient to meet the normal anticipated operating expenses. The Reserves for Repair and Replacement were based on information received from the sponsor and its engineer and on our prior experience in managing similar communities.

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Very truly yours,

WENTWORTH PROPERTY MANAGEMENT OF NEW JERSEY, INC.

By: _____
Stephen C. Doran, CMCA, AMS, PCAM
Vice President Developer Services

JGS
Insurance

960 Holmdel Road
Holmdel, NJ 07733
TEL (732) 834-9800
FAX (732) 834-0233

October 24, 2007

Village Grande at English Mill HOA
c/o Wentworth Group
208 Whitehorse Pike
Barrington, NJ 08007

RE: Letter of Adequacy
Village Grande at English Mill HOA
Homeowners Association
Coverage for Phases I, II and III

Gentlemen:

In accordance with your request, we have reviewed and examined the Insurance Requirement for Village Grande at English Mill Homeowners Association located in Egg Harbor Township, NJ. Based on our analysis, we are pleased to recommend the following insurance coverage:

1. **PROPERTY** – Coverage would be written on a blanket basis, covering the clubhouse, fencing, light fixtures, pool, recreational facilities, and personal property owned by the Association. Coverage provided under the policy would on special causes of loss perils basis including Replacement Cost, and Agreed Amount. All property would be subject to a minimum policy deductible of $2,500 each occurrence.

2. **COMMERCIAL GENERAL LIABILITY** – Liability insurance would be designed to provide comprehensive protection for all common areas, including any swimming pools, and all recreational facilities. The limit under this section would be $1,000,000 each occurrence. The basic policy would be extended to include the broadening CGL endorsement which includes Personal Injury Liability, Broad Form Property Damage, Host Liquor Liability, Blanket Contractual Liability, Medical Payments, Advertising Liability, Employees as Additional Insured, Incidental Medical Malpractice, Fire Legal Liability, Extended Bodily Injury, Non-Owned and Hired Automobile Liability, in addition to other coverages.

3. **DIRECTORS AND OFFICERS LIABILITY** – Coverage would be provided for all present and past members who serve on the Board of Trustees for the Association. The policy would have a limit of $2,000,000 subject to a $2,500 deductible.

4. **UMBRELLA LIABILITY** – This policy would provide excess limits of liability above the primary Comprehensive General Liability, Non-Owned and Hired Automobile Liability, and Directors and Officers Liability policies. A minimum of $15,000,000 for each occurrence is recommended however, higher limits are suggested for consideration by the Association.

5. **COMPREHENSIVE AUTOMOBILE** – If the Association owns any vehicles, this policy would be provided for a combined single limit of $1,000,000 and would also include the necessary comprehensive and collision coverage. Non-Owned and Hired Automobile Liability would also be included.

6. **COMPREHENSIVE CRIME INSURANCE** – This policy would provide coverage for the Association as a result of fraudulent and dishonest acts of its employees, loss of money and securities on and off premises, depositors forgery and counterfeit money and paper currency. The limit for Employee Dishonesty coverage would be $250,000.

7. **WORKER'S COMPENSATION** – Coverage would be provided for injuries to employees during the course of employment. Benefits would be based upon the statutory requirements prescribed by the State of New Jersey. The policy would be issued on a minimum premium basis subject to an audit at expiration.

8. **UNIT OWNERS INSURANCE** – A Homeowners Policy commonly referred to as an HO-3 or HO-5 policy, should by purchased by the Unit Owner to cover property damage to the building as well as their personal belongs, including furniture and fixtures, along with any upgrades purchased as options by the Unit Owners.

Implementation of the foregoing Coverage will, in our opinion, be adequate to meet the basic needs of the Association in insuring the exposure usual to Condominium/ Townhome Association and satisfies the requirements of any mortgage lenders or management contracts. Premium summary for the coverage is shown on the attached summary sheet.

Very truly yours

JACOBSON, GOLDFARB & SCOTT, INC

V J Hager

Vincent J. Hager, CIRMS
Chief Operating Officer

VILLAGE GRANDE AT ENGLISH MILL

PHASE II – 273 UNITS INCLUDING CLUBHOUSE AND CONTENTS

INSURANCE PREMIUM ESTIMATE

VALUES AS OF OCTOBER 2007

COVERAGE	AMOUNT	PREMIUM
1. Property Insurance Clubhouse and contents – 100% Insurable Value 273 Single family units	$1,500,000	$14,000
Ordinance or Law Coverage	$1,000,000	Included
Loss of Maintenance Fees	Actual Loss Sustained	Included
2. Commercial General Liability	$1,000,000	Included
3. Directors and Officers	$2,000,000	$2,104
4. Umbrella Liability	$15,000,000	$2,797
5. Hired and Non-Owned Auto	$1,000,000	Included
6. Comprehensive Crime	$250,000	$650
7. Workers Compensation	Statutory	$791
8. Boiler and Machinery	$1,500,000	Included
Total Estimated Annual Premiums:		**$20,342**

The premium estimates above are based on rates in effect in October 2007. Actual premiums may vary, based on the date coverage actually attaches. The premium quotes above are good for 60 days from the date on the cover letter.

VILLAGE GRANDE AT ENGLISH MILL

PHASE III – 397 UNITS INCLUDING CLUBHOUSE AND CONTENTS

INSURANCE PREMIUM ESTIMATE

VALUES AS OF OCTOBER 2007

COVERAGE	AMOUNT	PREMIUM
1. Property Insurance Clubhouse and contents – 100% Insurable Value 397 Single family units	$1,500,000	$18,000
Ordinance or Law Coverage	$1,000,000	Included
Loss of Maintenance Fees	Actual Loss Sustained	Included
2. Commercial General Liability	$1,000,000	Included
3. Directors and Officers	$2,000,000	$2,560
4. Umbrella Liability	$15,000,000	$3,951
5. Hired and Non-Owned Auto	$1,000,000	Included
6. Comprehensive Crime	$250,000	$650
7. Workers Compensation	Statutory	$791
8. Boiler and Machinery	$1,500,000	Included
Total Estimated Annual Premiums:		**$25,952**

The premium estimates above are based on rates in effect in October 2007. Actual premiums may vary, based on the date coverage actually attaches. The premium quotes above are good for 60 days from the date on the cover letter.

THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNER'S ASSOCIATION	PROPOSED FIRST YEAR GENERAL BUDGET PHASE ONE - 27 Units - No Amenities EFFECTIVE JANUARY 1, 2008	
REVENUE		
Association Maintenance Fees	General assessment billed to all units	$386,349
Operating Interest	Interest generated from operating checking accounts	
COMMON AREA EXPENSES		
Animal / Geese Control	Contracted wildlife management expenses	$1,000.00
Common Area Lighting Maintenance / Supply	Interior and exterior parts and supplies	$ 750.00
Water - Irrigation System	Single Home & Common Area Irrigation Water	$ 38,000.00
Electric - Common Area Lighting	Electric service - common area lighting, signs, irrigation clock, valves	$ 3,000.00
Electric - Other	Cost of operating aerators, etc.	$ 200.00
Exterminating/Pest Control	Pest control of moles, squirrels, bees, etc.	$ 800.00
Lake / Pond Maintenance	Pond Treatments, aerator maintenance, erosion control	$ 2,500.00
Landscaping	Contracted landscape maintenance service	$ 163,800.00
Landscaping Additions	Annual, perennial, tree and shrub plantings, etc.	$ 2,500.00
Maintenance Supplies	Miscellaneous repairs to common elements	$ 650.00
Snow Removal Contract	Based on (3) 2" to 6" snowfalls	$ 44,312.00
Sprinkler & Irrigation Repairs	Contracted startup/winterization, repairs	$ 1,700.00
Subcontractor Maintenance Labor	Contracted unscheduled repairs/painting, etc.	$ 1,200.00
TOTAL COMMON AREA EXPENSES		**$260,412**
GENERAL & ADMINISTRATIVE EXPENSES		
Accounting Services / Audit	Contracted fee to produce financial statement/tax return	$ 2,000.00
Bank & Credit Card Fees	Lock box fees, check orders, wire transfers	$ 240.00
CAI Membership	Annual Membership Fee	$ 250.00
Coupon Books	Distribution of printed coupons by outside printer	$ 1,100.00
Federal Income Taxes	Taxes due on Reserve interest earned, other income	$ -
Insurance	Property, Liability, Directors & Officers coverage	$ 15,000.00
Insurance - Umbrella	$5,000,000 coverage over underlying package policy	$ 2,000.00
Insurance - Workers Compensation	Coverage for Association employees	$ 800.00
Legal Counsel Fees	General counsel fees	$ 1,500.00
Legal Collection Fees	Fees for collection of outstanding debts	$ 1,000.00
Management Contract	Contracted fee for Management Services	$ 31,187.52
Payroll	Part-Time Manager (20-25 Hours per week)	$ 28,000.00
Miscellaneous Administration	Minor expenses not otherwise allocated	$ 500.00
Office Equipment / Furniture Leases	Copier, office furniture, postage meter, etc.	$ 1,000.00
Office Supplies	Consumables supplies, paper, ink cartridges, etc.	$ 1,000.00
Postage	Cost for distribution of mailings, bills, etc.	$ 2,650.00
Postage Meter Lease	Cost to maintain a postage meter for Association mailings	$ 500.00
Printing, Copies & Fax	Envelopes, stationary, fax costs, etc.	$ 1,600.00
Telephone	Cost of monthly usage and alarm lines	$ 2,000.00
Petty Cash	Amount set aside for out-of-pocket expenses	$ 1,000.00
Real Estate Taxes	Property tax assessment on Clubhouse facilities	
Social Committee Expense	Expenses paid out for Social Activities	$ 1,500.00
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		**$94,828**
RESERVE & DEFERRED MAINTENANCE		
Concrete Driveway Reserves	Cost to replace unit driveways	$ 13,960.00
Concrete Service Walk Reserves	Cost to replace unit entry walks	$ 6,910.00
Concrete Sidewalk Reserves	Cost to replace common walks	$ 9,589.00
Walking Path Reserves	Surface Replacement	$ 650.00
TOTAL RESERVE & DEFERRED MAINTENANCE		**$31,109**
TOTAL EXPENSES		**$386,349**
MONTHLY UNIT RATE		**$1,190**

THE VILLAGE GRANDE AT ENGLISH HILL HOMEOWNERS ASSOCIATION	PROPOSED FIRST YEAR GENERAL BUDGET PHASE ONE 243 UNITS WITH CLUBHOUSE	
REVENUE		
Association Maintenance Fees	General assessment billed to all units	$526,925.19
Operating Interest	Interest generated from operating checking accounts	0
ADMINISTRATIVE PAYROLL		
Office Payroll	Salary, Manager, Assistant	$ 66,000.00
Payroll Taxes & Benefits	Taxes paid on behalf of employees, employer at 12%	$ 8,064.00
TOTAL ADMINISTRATIVE PAYROLL		$ 74,064.00
CLUBHOUSE EXPENSES		
Alarms & Monitoring	Central Station Dispatch Alarm monitoring contract	$ 594.00
Carpet Cleaning & Repairs	Annual Cleaning	$ 550.00
Cleaning Supplies	Supplies for daily use - Trash can liners, etc.	$ 770.00
Clubhouse Cable Internet	Charge to provide High Speed Internet Connection	$ 1,188.00
Clubhouse Cable TV	Charge to provide basic television service	$ 858.00
Clubhouse Electric	Monthly electric service for clubhouse	$ 5,280.00
Clubhouse Gas	Monthly gas service to clubhouse	$ 2,750.00
Clubhouse Lighting Maintenance / Supply	Interior and exterior parts and supplies	$ 550.00
Clubhouse Sewer	Quarterly sewer service to clubhouse	$ 495.00
Clubhouse Water	Quarterly water service to clubhouse and irrigation	$ 1,760.00
Exterminating/Pest Control	Monthly service to clubhouse	$ 990.00
Fire Extinguisher Inspections	Annual inspection and recharge servicing	$ 550.00
Fire Sprinkler Systems	Annual inspection/service contract	$ 1,320.00
Flag Replacement	Cost of replacement flags and parts	$ 440.00
HVAC Contract	Annual inspection/service contract	$ 1,650.00
Janitorial/Maintenance Services	Routine unscheduled maintenance/cleaning services	$ 10,296.00
Maintenance Supplies	Consumable parts, supplies for clubhouse	$ 550.00
Parking Lot Cleaning & Sweeping	Cost of spring cleaning of sand and debris	$ 550.00
Security Contract	Contracted access control system	$ 1,100.00
Trash Removal	Contracted dumpster pickup	$ 2,310.00
TOTAL CLUBHOUSE EXPENSES		$ 34,551.00
COMMON AREA EXPENSES		
Animal / Geese Control	Contracted wildlife management expenses	$ 1,100.00
Common Area Lighting Maintenance / Supply	Interior and exterior parts and supplies	$ 825.00
Electric - Common Area Lighting	Monthly electric service for common area lighting, Signs	$ 1,320.00
Electric - Irrigation	Monthly electric cost of operating irrigation clocks, valves, etc.	$ 715.00
Electric - Other	Cost of operating aerators, etc.	$ 165.00
Water - Irrigation	Cost of watering lawns and common areas	$ 42,587.60
Exterminating/Pest Control	Pest control of moles, squirrels, bees, etc.	$ 880.00
Lake / Pond Maintenance	Pond Treatments, aerator maintenance, erosion control	$ 2,750.00
Landscaping	Contracted landscape maintenance service	$180,180.00
Landscaping Additions	Annual, perennial, tree and shrub plantings, etc.	$ 2,750.00
Maintenance Supplies	Miscellaneous repairs to common elements	$ 715.00
Pitch-N-Putt Maintenance	Cost of minor turf repairs, etc.	$ 220.00
Snow Removal Contract	Based on (3) 2" to 6" snowfalls	$ 43,243.20
Sprinkler & Irrigation Repairs	Contracted startup/winterization, repairs	$ 1,870.00
Subcontractor Maintenance Labor	Contracted unscheduled repairs/painting, etc.	$ 550.00
TOTAL COMMON AREA EXPENSES		$279,870.80
GENERAL & ADMINISTRATIVE EXPENSES		
Accounting Services / Audit	Contracted fee to produce financial statement/tax return	$ 1,980.00

Bank & Credit Card Fees	Lock box fees, check orders, wire transfers	$ 264.00
CAI Membership	Annual Membership Fee	$ 275.00
Coupon Books	Distribution of printed coupons by outside printer	$ 935.00
Federal Income Taxes	Taxes due on Reserve interest earned, other income	$ -
Insurance	Property, Liability, Directors & Officers coverage	$ 27,500.00
Insurance - Umbrella	$5,000,000 coverage over underlying package policy	$ 2,200.00
Insurance - Workers Compensation	Coverage for Association employees	$ 1,100.00
Legal Counsel Fees	General counsel fees	$ 1,650.00
Legal Collection Fees	Fees for collection of outstanding debts	$ 1,100.00
Management Contract	Contracted fee for Management Services	$ 30,630.60
Miscellaneous Administration	Minor expenses not otherwise allocated	$ 550.00
Office Equipment / Furniture Leases	Copier, office furniture, postage meter, etc.	$ 4,400.00
Office Supplies	Consumables supplies, paper, ink cartridges, etc.	$ 2,200.00
Postage	Cost for distribution of mailings, bills, etc.	$ 2,915.00
Postage Meter Lease	Cost to maintain a postage meter for Association mailings	$ 528.00
Printing, Copies & Fax	Envelopes, stationary, fax costs, etc.	$ 1,705.00
Telephone	Cost of monthly usage and alarm lines	$ 2,200.00
Petty Cash	Amount set aside for out-of-pocket expenses	$ 1,100.00
Real Estate Taxes	Property tax assessment on Clubhouse facilities	$ -
Social Committee Expense	Expenses paid out for Social Activities	$ 1,650.00
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		$ 84,882.60
RECREATIONAL EXPENSES		
Bocci/Shuffleboard Repairs & Maintenance	Minor equipment, surface repairs	$ 275.00
Exercise Equipment Service Contract	Contracted service agreement - Routine maintenance	$ 1,320.00
Exercise Equipment Repairs	Repairs and parts outside of agreement	$ 550.00
Pool & Spa Utilities	Annual electric, gas and water for two pools	$ 5,500.00
Pool & Spa Management - Indoor	Contracted annual maintenance	$ 11,000.00
Pool Management - Outdoor	Contracted seasonal maintenance, lifeguard service	$ 15,950.00
Pool & Spa Supplies & Equipment	Miscellaneous chemicals, supplies, etc.	$ 1,100.00
Pool & Spa Repairs	Repairs to non-capital replacement parts	$ 4,400.00
Pool & Spa Laundry Service	Contracted towel service	$ 1,320.00
Pool Table Supplies & Maintenance	Cue sticks, chalk, minor repairs	$ 275.00
Recreation Equipment Supplies	Cards, games, miscellaneous	$ 880.00
Telephone - Aux (pool, payphone)	Cost to provide common phone services / pool service phone	$ 1,650.00
Tennis Court Repairs & Maintenance	Cost to provide repairs and purchase replacement netting.	$ 880.00
TOTAL RECREATIONAL EXPENSES		$ 45,100.00
RESERVE & DEFERRED MAINTENANCE		
Asphalt 1 1/2 Cap	Overlay at end of useful life	$ 2,273.43
Asphalt Sealcoating	Cost to seal parking areas - 5 yrs schedule	$ 1,351.06
Concrete Driveway Reserves	Cost to replace unit driveways	$ 15,356.00
Concrete Service Walk Reserves	Cost to replace unit entry walks	$ 7,601.00
Concrete Sidewalk Reserves	Cost to replace common walks	$ 10,547.90
Clubhouse Reserves	Roofing, siding, gutters, leaders	$ 3,135.00
Pool Deck	Concrete, area drainage, etc.	$ 1,650.00
Pool Fence	Fence structure, gates, hardware	$ 275.00
Pool Filters	Housings, replacement media	$ 550.00
Pool Furniture	Restrapping, replacement	$ 1,100.00
Tennis Court Reserves	Resurfacing, restriping	$ 2,750.00
Tennis Court Fence	Fence structure, gates, hardware	$ 440.00
Swimming Pool Reserves	Pumps, heaters, valves, misc. equipment	$ 3,300.00
Walking Path Reserves	Surface Replacement	$ 715.00
TOTAL RESERVE & DEFERRED MAINTENANCE		$ 51,044.39
TOTAL EXPENSES		[illegible]
MONTHLY UNIT RATE		[illegible]

THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION
PROPOSED FIRST YEAR GENERAL BUDGET
FULL BUILD OUT - 497 UNITS

REVENUE		
Association Maintenance Fees	General assessment billed to all units	$705,464
ADMINISTRATIVE PAYROLL		
Office Payroll	Salaries - Manager, Activities Director	$ 79,200.00
Payroll Taxes & Benefits	Taxes paid on behalf of employees, employer at 12%	$ 9,676.80
TOTAL ADMINISTRATIVE PAYROLL		$ 88,876.80
CLUBHOUSE EXPENSES		
Clubhouse Electric / Gas	Monthly Electric & Gas service for clubhouse	$ 8,030.00
Clubhouse Exterminating	Monthly service to clubhouse	$ 990.00
Clubhouse Fire Extinguisher Inspections	Annual inspection and recharge servicing	$ 550.00
Clubhouse Fire Sprinkler Systems	Annual inspection/service contract	$ 1,320.00
Clubhouse Garbage Removal	Contracted dumpster pickup	$ 2,310.00
Clubhouse HVAC Contract	Annual inspection/service contract	$ 1,650.00
Clubhouse Internet	High Speed Internet Connection	$ 1,980.00
Clubhouse Maintenance	Janitorial Service, Cleaning, Lighting & Maint. Supplies	$ 13,266.00
Clubhouse Security	Central Station Dispatch Alarm monitoring contract	$ 1,694.00
Clubhouse Sewer	Quarterly sewer service to clubhouse	$ 1,100.00
Clubhouse Water	Quarterly water service to clubhouse and irrigation	$ 1,760.00
TOTAL CLUBHOUSE EXPENSES		$ 34,650.00
COMMON AREA EXPENSES		
Common Area Electric	Monthly electric service for lighting, signs, fountains	$ 2,629.00
Common Area Landscaping	Contracted landscape maintenance service	$ 277,970.00
Common Area Lighting Maintenance / Supply	Interior and exterior parts and supplies	$ 825.00
Common Area Maintenance Supplies	Miscellaneous repairs to common elements	$ 1,100.00
Common Area Snow Removal Contract	Based on (3) 2" to 6" snowfalls	$ 66,000.00
Common Area Sprinkler / Irrigation Maintenance	Contracted startup/winterization, repairs	$ 9,900.00
Common Area Subcontractor Maintenance Labor	Contracted unscheduled repairs/painting, etc.	$ 2,200.00
Common Area Water / Irrigation	Lawn irrigation water supply	$ 34,364.00
TOTAL COMMON AREA EXPENSES		$ 394,988.00
GENERAL & ADMINISTRATIVE EXPENSES		
Accounting Services / Audit	Contracted fee to produce financial statement/tax return	$ 2,750.00
Bank & Credit Card Fees	Lock box fees, check orders, wire transfers	$ 264.00
CAI Membership	Annual Membership Fee	$ 275.00
Coupon Books	Distribution of printed coupons by outside printer	$ 1,210.00
Federal Income Taxes	Taxes due on Reserve interest earned, other income	$ -
Insurance	Property, Liability, Directors & Officers coverage	$ 38,500.00
Insurance - Workers Compensation	Coverage for Association employees	$ 1,320.00
Legal Counsel Fees	General counsel fees	$ 2,750.00
Management Contract	Contracted fee for Management Services	$ 44,543.40
Office Supplies	Copier toner, consumable supplies	$ 3,850.00
Operating Contingency	Set-aside for unforeseen expenses.	$ 5,000.00
Postage	Cost for distribution of mailings, bills, Postage Meter, etc.	$ 3,828.00
Printing, Copies & Fax	Envelopes, stationary, fax costs, etc.	$ 2,200.00
Telephone	Cost of monthly usage and alarm lines, pool phones.	$ 3,850.00
Real Estate Taxes	Property tax assessment on Clubhouse facilities	$ -
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		$ 110,340.40

RECREATIONAL EXPENSES		
Bocci/Shuffleboard Repairs & Maintenance	Minor equipment, surface repairs	$ 275.00
Exercise Equipment Contract / Repairs	Contracted service agreement - Routine maintenance	$ 1,650.00
Pool & Spa Utilities	Annual electric, gas and water for two pools	$ 5,500.00
Pool & Spa Management - Indoor / Outdoor	Contracted maintenance, seasonal lifeguard service	$ 26,950.00
Pool & Spa Supplies / Repairs	Chemicals, supplies, repairs to non-capital replacement parts	$ 5,500.00
Putting Green Maintenance	Cost of minor repairs, etc.	$ 275.00
Recreation Equipment Supplies / Maintenance	Pool Cues, cards, games, miscellaneous	$ 1,320.00
TOTAL RECREATIONAL EXPENSES		$ 41,470.00
RESERVE & DEFERRED MAINTENANCE		
Asphalt 1 1/2 Cap	Overlay at end of useful life	$ 2,273.43
Asphalt Sealcoating	Cost to seal parking areas - 5 yrs schedule	$ 1,351.06
Concrete Sidewalk Reserves	Cost to replace common walks	$ 15,196.50
Clubhouse Furnishings	Cost of replacing furniture, fixtures, etc.	$ 4,400.00
Clubhouse Reserves	Roofing, siding, gutters, leaders	$ 3,135.00
Pool Reserves	Concrete, Fencing, pumps, heaters, valves, furnishings.	$ 6,930.00
Tennis Court Reserves	Resurfacing, restriping	$ 3,300.00
Walking Path Reserves	Surface Replacement	$ 715.00
TOTAL RESERVE & DEFERRED MAINTENANCE		$ 37,300.99
TOTAL EXPENSES		[illegible]
MONTHLY UNIT RATE		$ [illegible]

PUBLIC OFFERING STATEMENT

FOR

THE VILLAGE GRANDE AT ENGLISH MILL

EXHIBITS

1. Declaration of Covenants and Restrictions for The Village Grande at English Mill

EXHIBIT A	-	Legal (Metes and Bounds) Description of The Village Grande at English Mill
EXHIBIT A-1	-	Legal (Metes and Bounds) Description of Phase I
EXHIBIT B	-	Overall Plan for The Village Grande at English Mill
EXHIBIT B-1	-	Phase I Plan
EXHIBIT C	-	Certificate of Incorporation of The Village Grande at English Mill Homeowners Association, Inc.
EXHIBIT D	-	By-Laws of The Village Grande at English Mill Homeowners Association, Inc.
EXHIBIT E	-	Housing for Older Persons Act of 1995 Compliance Affidavit

2. Projected Operating Budget for the Initial Fiscal Year Based on Phase I (273 Homes) without amenities and including amenities and Full Occupancy (397 Homes), Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy

3. Sample Contract for Sale of Real Estate

4. Sample Deed

5. Proposed Management Agreement

6. Flood Certifications of Charles Jones, L.L.C.

7. Specimen Owner's Policy of Title Insurance

8. Amendment and Supplement to the Declaration of Covenants and Restrictions for The Village Grande at English Mill

9. Down Payment Bond and Deposit Escrow Agreement

FOREWORD

ANY PROSPECTIVE PURCHASER WHO ENTERS INTO A SUBSCRIPTION AND PURCHASE AGREEMENT CAN, AS A MATTER OF RIGHT, CANCEL THE AGREEMENT WITHOUT CAUSE BY SENDING OR DELIVERING WRITTEN NOTICE OF THE CANCELLATION TO THE DEVELOPER OR ITS AGENT BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH THE AGREEMENT IS EXECUTED. SUCH CANCELLATION SHALL BE WITHOUT PENALTY AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

1. INTRODUCTION

D.R. HORTON, INC. - NEW JERSEY, a Delaware Corporation (the "Developer"), having an address at 20 Gibson Place, Freehold, New Jersey 07728, presents herewith its Public Offering Statement for the establishment of a plan of ownership (the "Plan") with respect to approximately 199.73 acres of land which is contemplated to ultimately include up to three hundred and ninety-seven (397) single family dwellings and lots (the "Homes") together with certain other improvements, all to be located in the Township of Egg Harbor, County of Atlantic and State of New Jersey (the "Community"). A metes and bounds description of the Community is contained in Exhibit "A" to the proposed Declaration of Covenants and Restrictions for The Village Grande at English Mill (the "Declaration"), which appears as Exhibit 1 of this Public Offering Statement.

The land, together with the Homes and all other present and future improvements contemplated under this offering, is to be known as The Village Grande at English Mill. The boundaries of the Community and the improvements presently contemplated to be constructed by the Developer within such boundaries and which are intended to be incorporated as part of the Community, together with the common lands and facilities to be owned by the Association (the "Common Property"), are graphically depicted on that certain plan entitled: "Exhibit Plan for Phase I & Phase II, Village Grande at English Mill, Plate 33, Block 3301, Lots 9-11 & 18, Block 3302, Lots 10, 92-94, 96-101, Block 4001 Lots 2, 3, & 6, Egg Harbor Township, Atlantic County, New Jersey prepared by Consulting Engineer Services, Professional Engineers, Planners, & Land Surveyors dated February 5, 2004 (the "Overall Plan"). The Overall Plan is Exhibit "B" to the Declaration, which is Exhibit 1 to this Public Offering Statement. The Overall Plan depicts 397 Homes . The actual

development of the Community will be subject to regulation by those governmental authorities having jurisdiction of same; however, the Developer hereby reserves the right to seek modification and/or amendment of the development plan from time to time. Such modification and/or amendment may include changing the aggregate number and location of the Homes contemplated for the Community.

As of the date of this offering, the Developer proposes that development will occur in two (2) Phases consisting of a total of three hundred and ninety-seven (397) Homes. These Phases have been arbitrarily established by the Developer; however, all of the lands upon which the 397 Homes will be constructed will be subjected to the terms, conditions and restrictions of the Declaration upon its recordation in the Atlantic County Clerk's Office. Phase I is legally described in Exhibit "A-1" to the Declaration and is shown on Exhibit "B-1" to the Declaration.

As presently envisioned, Phase I will include two hundred and seventy-three (273) Homes intended for single family dwellings, together with certain other improvements. Phase I is also planned to ultimately include a clubhouse with an indoor lap pool, outdoor swimming pool, two (2) tennis courts, a bocci court, and an artificial putting green. The Developer intends to complete the construction of the recreational facilities before the completion of the Homes in Phase I. Exhibit 2 to this Public Offering Statement includes a projected operating budget for Phase I that will be in effect prior to the completion of the recreational facilities, and another projected operating budget which will be in effect once the recreational facilities have been completed. The completion of the recreational facilities is presently anticipated for November 2008. The Developer

reserves the right to use the clubhouse for sales and/or marketing purposes until it has sold the last Home within the fully developed Community.

Phase II is purposed to consist of one hundred and twenty-four (124) additional Homes. These Homes will be constructed upon lands designated as Phase II on the plan which appears as Exhibit "B" to the Declaration.

The Developer intends to commence construction on the recreation facilities within Phase I not later than the completion of the 175th Home in Phase I. Said facilities and open space will be conveyed to the Association. The location of the recreational and community facilities is shown on the Phase I Plan (Exhibit "B-1" to the Declaration). The Developer currently proposes that Homes and the related improvements will be developed within the following Phases:

Section	Number of Homes	Estimated Completion Date
Phase I	273 Homes	November, 2008
Phase II	124 Homes	October, 2010

At any time after commencing Phase I, the Developer can exercise its right to develop Phase II of the Community by recording one or more Amendments and Supplements to the Declaration with the Atlantic County Clerk's Office, substantially in the form which appears as Exhibit 8 to this Plan, which would expand the Community to include the additional Homes and other site improvements being developed in Phase II. Such incorporation could result in the Community consisting of up to 397 Homes. It is the Developer's present intention to complete construction of all 397 Homes in the Community by October, 2010.

The Developer is not obligated by this offering to develop the proposed Phases of the Community sequentially, nor to develop both Phases of

the Community. Finally, the Developer is not obligated to improve any one or all of the Phases in the precise manner reflected in the Overall Plan for the Community (Exhibit B to the Declaration). Despite the foregoing, the Developer will develop the land within the Community only as permitted by law with the express understanding that the Developer reserves the right to modify or amend the development plan from time to time. Such modification or amendment may include changing the aggregate number and location of dwelling units contemplated for the Community as well as the configuration, design, mix, materials, model types or percentage interest of any unsold Home or of any Common Property which has not been legally designated for a specific Home previously sold to an individual Purchaser by the Developer. The Developer's actual development of the Community will also be subject to all municipal, county, state and federal laws.

As a planned community, the Community is subject to the Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq., and the regulations promulgated thereunder, N.J.A.C. 5:26-1.1 et seq., which together govern the offering of the Homes for sale.

The Village Grande at English Mill Homeowners Association, Inc., a not-for-profit corporation formed under N.J.S.A. 15A:1-1 et seq. (the "Association"), will be responsible for the administration, operation and management of the Community and all other improvements intended for the common use and enjoyment of the residents of the Community.

The Community will be established by the recording of the Declaration in the office of the Clerk of Atlantic County, a copy of the proposed form of which is annexed hereto as Exhibit 1. The Declaration encompasses the Community in its entirety, and will be recorded by the Developer prior to the closing of title to the first Home in the Community.

The Developer has or will file a Certificate of Incorporation for the Association as required by law. A copy of the proposed form of Certificate of Incorporation of the Association is annexed as Exhibit "C" to the Declaration. Each Home Owner will automatically become a member of the Association by virtue of acceptance of a Deed to his Home. No membership certificates will be issued.

The By-Laws of the Association will be in the form set forth in Exhibit "D" of the Declaration. The By-Laws provide for the election of the Board of Trustees and of the Officers and their respective duties and powers, the time, place and conduct of meetings of Members of the Association, meetings of the Board of Trustees and, in general, procedures to be followed in relation to the governance and operations of the Association.

The Declaration and its exhibits, together with all of the Exhibits annexed hereto, are an integral part of this Public Offering Statement and are incorporated by reference wherever referred to. The Developer recommends that these documents be carefully examined by prospective purchasers and their legal and financial advisors.

The Developer has been represented by the law firm of Greenbaum, Rowe, Smith & Davis, LLP in the preparation of this Public Offering Statement. Said law firm has made no independent investigation or determination as to the accuracy of the facts and statements set forth herein, but has relied on the representations made by the Developer and its agents with respect thereto. Accordingly, although said law firm has no specific knowledge to the contrary, it assumes no independent responsibility with regard to the accuracy of such facts or statements. In addition, said law firm has relied exclusively upon the opinions or certifications of those other persons who have prepared or approved various exhibits to this Plan or

the Application for Registration and has not made an independent judgment or evaluation of any aspects of same. Therefore, it also assumes no independent responsibility for the contents of any such opinions, certifications or exhibits.

2. DESCRIPTION OF INTEREST BEING OFFERED

The interest held by the owner of a Home in the Community consists of two distinct but inseparable fee simple interests in real property. One is the sole ownership of the Home itself and the other is the ownership of the Common Property in common with all of the other Owners.

Although an Owner is subject to certain restrictions with regard to the use of his Home, which are contained in the Declaration and the By-Laws of the Association, the proposed form of which appears as Exhibit "D" to the Declaration, an Owner is entitled to the sole possession of his Home and may generally decorate the interior of his Home as he chooses, subject to such Rules and Regulations as may be adopted by the Association. Each Owner is responsible for the maintenance, repair and replacement of the Home. Each Owner must also pay the cost of any utilities utilized for his Home.

The responsibility for the administration, operation and maintenance of the Common Property lies with the Association. Each Home Owner will be responsible to pay a proportionate share of the expenses incurred by the Association for the administration, management, maintenance, repair and replacement of the Common Property ("Common Expense Assessment"). The Common Expenses are discussed in more detail in Section 6 hereof.

A Home can be mortgaged, provided that the mortgage is procured from a bank, insurance company, savings and loan association or other recognized institutional lender or purchase money lender or is a purchase money mortgage, the lien of which, by its express terms, is subordinate to

any and all existing or future Common Expense liens imposed against a Home by the Association. Pursuant to the Declaration, a default under a mortgage encumbering any particular Home does not affect the other Homes, except to the extent that all Owners may be required to contribute to assessments which are intended to compensate for delinquent and unpaid Common Expense Assessments of the defaulting Owner. In addition, an Owner is permitted to lease his Home, subject to certain restrictions imposed under Section 9.02 of the Declaration, such as that which requires a lease to be for not less than three (3) months. An Owner is also responsible for the direct payment to the Township of Egg Harbor of the real estate taxes which are assessed against his Home.

Generally, Owners residing in their Homes may claim deductions for their real estate taxes and mortgage interest in deriving their taxable income for federal income tax purposes, subject to certain limitations applicable to their individual tax situations. For New Jersey income tax purposes, Owners will not be able to deduct their mortgage interest but may be able to deduct some or all of their paid real estate taxes depending on their individual tax situations and subject to changes in the tax law. The Developer makes no representations with respect to the impact of Home ownership upon the individual tax situation of any purchaser. Prospective purchasers are advised to consult with their own legal counsel or accountant to determine the current taxation aspects of ownership of their Home.

Each prospective purchaser should be aware that he will be bound by the terms of the Declaration, the By-Laws and any Rules and Regulations promulgated, adopted and published by the Board of Trustees of the Association (the "Board"), as well as any amendments or supplements to any of the foregoing documents (collectively "Governing Documents"). The Owner's

interest in the Home is governed by these documents as well as settled common law principles of property ownership.

Under Article VIII of the Declaration, the Developer and the Association are given the right to amend the Governing Documents, without the consent of the Owners, under certain circumstances. This right is called a power of attorney and is granted to the Developer and the Association by each Owner when he accepts the deed to his Home. This power of attorney may only be exercised if an amendment is required (i) by law or any governmental agency; (ii) by any title insurance company insuring any portion of the Community at the Developer's request; and (iii) by any Eligible Mortgage Holder providing mortgage loans to Owners. However, the written consent of an affected Owner must be obtained first if the amendment increases the financial obligations of an Owner or reserves special or additional privileges for the Developer. The Developer has the right to exercise this power until the last Home is sold; thereafter, this power of attorney can only be exercised by the Association.

The Association is also granted a power of attorney under Section 8.03 of the Declaration. The power of attorney authorizes the Association to acquire, sell or lease Homes from any Owner and to mortgage any Home which it owns.

Eligible Mortgage Holders are also granted a power of attorney under Section 8.04 of the Declaration. This power of attorney enables an Eligible Mortgage Holder to commence an enforcement action for collection of delinquent Common Expense Assessments attributable to a Home on which it holds a mortgage. However, the Eligible Mortgage Holder can only bring such an action if the Association fails to do so within a reasonable time.

Prospective purchasers are urged to consult the appropriate sections of the Declaration for a more complete explanation of these powers of attorney.

3. DESCRIPTION OF THE PROPERTY

The property that is the subject of this offering is located on Mill Road (County Route 622) and High School Drive in the Township of Egg Harbor, Atlantic County, New Jersey. The land consists of approximately 199.73 acres, and is designated as being Block 3301, Lots 99-11 & 18, Block 3302, Lots 10, 92-94, 96-101, Block 4001 Lots 2, 3, & 6.

The Community is located in HB (Highway Business District) and RG-3 (Residential District) zoning districts, pursuant to the zoning ordinance of the Township of Egg Harbor. All of the improvements within the Community will be located in the RG-3 zoning district. Permitted principal uses in an RG-3 zone include: farming; single-family dwellings; and public parks, playgrounds, active and passive recreation. Permitted accessory uses in an RG-3 zone include: uses customary and incidental to the principal uses; roadside stands not larger than 5,000 square feet for the sale of produce; and professional home offices, provided that not more than 25% of the gross floor area of the principal building is used for office purposes.

Permitted uses in a HB zoning district include: restaurants, not including drive-in and quick-food restaurants; professional or business offices, banks; private or public schools, clubs and eleemosynary uses; food markets, delicatessens, bakers, liquor stores; personal services establishments limited to shoe shops, laundries, barbershops, beauty parlors, hardware shops and drugstores; business services limited to limited to shops of plumbers, carpenters, electricians, painters or similar tradesmen; gasoline filling stations; and personal wireless telecommunications facility

not to exceed 150 feet in height. Permitted accessory used in an HB zone include: Uses and buildings customary and incidental to the primary use or building; private garages; and personal wireless telecommunications equipment facility not to exceed 15 feet in height.

The Community is bordered on the southwest by Mill Road (County Road 662) and is intersected toward the north by High School Drive. The lands surrounding the community are located in an RG zone. The Township maintains a public works yard on the land known as Block 3301, Lot 17 located to the south of the Community. That property presently includes salt bins for snow removal, lighting, composting, a vehicle tow area, 2 buildings and related facilities.

To the best of the Developer's knowledge, information and belief, the Community is in compliance with all applicable ordinances and governmental regulations. The Developer has no knowledge and can make no representation that the present zoning scheme adopted by the Township of Egg Harbor or the existing use of adjacent lands will continue as presently constituted. The Developer has no knowledge of any intent of adjacent property owners to change the present use of those lands.

Three hundred and ninety-seven (397) residential dwelling units, each containing either a one-car or two-car garage, are planned to be constructed on the property.

Common facilities are designed to include landscaped grounds, parking areas, common driveways, sidewalks along the streets, recreational areas, stormwater retention and detention basins and other common areas. The roads within the Community will be dedicated to the Township of Egg Harbor. In addition, construction of recreational facilities, which will be available to all Owners, is anticipated to include an approximately 10,000 square foot

clubhouse with an indoor lap pool, outdoor swimming pool, two (2) tennis courts, a bocci court, and an artificial putting green. It is currently anticipated that the construction of the recreational facilities will be completed by November 2008. All of the common facilities, including the detention basins and the maintenance, repair and landscaping related to the detention basins, will be maintained by the Homeowners Association.

The Community will be served by a sewer pump station that will be constructed by the Developer on a separate lot created by easement or other means located within the northwest corner of the Community (the "Pump Station Lot"). The Pump Station Lot is located along High School Drive on the easterly side of Phase I of the Community adjacent to the Homes within Phase II of the Community. The Pump Station Lot will be conveyed to the Municipal Utilities Authority (the "Authority") upon the completion of the construction of the sewer pump station.

Upon taking title to the Lot, the Authority will be responsible for maintaining and operating the sewer pump station. The Authority will also be responsible for performing all the maintenance of the Lot, such as landscaping, lawn maintenance and snow clearing, and all maintenance, repair and replacement of improvements constructed on the Lot. It is anticipated that pedestrian and vehicular traffic may result from Authority personnel conducting routine maintenance of the facilities on the Pump Station Lot. Normal operation of the facilities may result in some noise and odors.

Additional driveway parking in front of each Home's garage, which will be restricted to the occupants of that Home and their guests, will accommodate one or two cars. If and when all improvements to the Community are completed, there will be unassigned street parking in the Community to accommodate additional parking which is presently intended to be available to

all occupants and their guests at no charge. The Developer intends that there will be approximately forty-nine (49) unassigned additional parking spaces located near the recreational facilities.

The Developer intends to install an underground sprinkler system in the front and rear yards appurtenant to each Home which shall be maintained by the Association. The cost of the individual water supply shall be the responsibility of each Owner as part of the Common Expense assessment paid by each Owner to the Association. In the event that any sprinkler(s) is inoperative for any reason, the Developer and/or the Association shall have the right to utilize the water supply of the appurtenant Home, without such Owner's consent, in order to water the lawn and shrubs, until the sprinkler is in working order. The Developer or Association shall reasonably compensate the Owner for any use of an Owner's water supply.

The Developer initially intends to offer five (5) model types ranging from approximately 1,390 square feet to approximately 1,850 square feet, although the Developer reserves the right to vary those models, or develop new models, as market conditions dictate. Each model type is presently designed to contain a kitchen, living room, dining area, master bedroom/bath suite, two or three bedrooms, loft, garage and deck.

The Developer has reserved the right in the Declaration to utilize one or more Homes as models and/or a sales office in connection with its sales efforts until it has sold the last Home within the fully developed Community. Those Homes used as models and/or a sales office will be maintained by the Developer, at its sole cost and expense, for as long as these Homes continue to be used by the Developer. The Developer reserves the right to use the clubhouse for sales and/or marketing purposes until it has sold the last Home within the fully developed Community. If utilized

exclusively for sales and/or marketing purposes, it shall be maintained by the Developer at its sole cost and expense, for as long as the Developer shall continue to use the clubhouse for such purpose; otherwise the cost and expense of maintenance shall be shared by the Developer and the Association in proportion to the benefit derived by each party. This means that if the Developer uses only a portion of the clubhouse for such purposes, it will compensate the Association for its use of the facilities in proportion to the relative use of the Association. These reserved rights shall continue for so long as the Developer continues to offer Homes for sale in the regular course of business but shall in no event exceed ten (10) years from the recordation of the Declaration. Despite these reserved rights of the Developer, Owners other than the Developer will be limited to use of their Homes as provided in the Declaration.

Prospective purchasers should consult the exhibits to the Declaration for the purposes of familiarizing themselves with the location of all improvements and for ascertaining the location of any particular Home in which they may be interested. Owners other than the Developer will be limited to use of their Homes for residential purposes.

Owners and their respective families who are permanent residents, as well as guests, shall be entitled to equal use of common facilities subject to such rules, regulations, limitations and conditions as may from time to time be imposed by the Association acting through its Board of Trustees. Owners may, by written agreement and upon notice to the Board of Trustees, delegate their right of enjoyment and use of the parking and other property to their permitted lessees.

4. COMMUNITY INFORMATION

Egg Harbor Township is located in Atlantic County, New Jersey. The Community is approximately twenty (20) miles from Atlantic City, approximately fifty-six (56) miles from Trenton and approximately one hundred (100) miles south of Newark.

The Atlantic City International Airport in Atlantic City is located approximately twenty (20) miles from the Community. This airport provides the area with international flight capabilities.

Egg Harbor is accessible from Exit 36 of the Garden State, Interchange 12 of the Atlantic City Expressway, U.S. Route 322, commonly known as Black Horse Pike, and State Route 40, all approximately two (2) miles from the Community. The major access streets to the Community are Mill Road and Ocean Heights Avenue.

The Egg Harbor Township School District administers the public education for students residing in Egg Harbor. Students in kindergarten through third grades will attend Swift Elementary School which is located on Swift Street within four (4) miles of the Community. Students in fourth through sixth grade will attend Egg Harbor Intermediate School which is located approximately five (5) miles from the Community on Alder Avenue. Students in seventh and eighth grade will attend Egg Harbor Township Middle School on Fernwood Avenue within three (3) miles of the Community. Students in ninth through twelfth grade will attend the Egg Harbor Township High School on High School Drive adjacent to the Community.

The Atlantic City Medical Center located at Michigan and Pacific Avenues in Atlantic City is approximately seventeen (17) miles from the Community. The Medical Center's Mainland Division is located on Jimmie Leeds Road in Pomona approximately six (6) miles from the Community. Shore

Memorial Hospital, located on Shore Road and New York Avenue in Somers Point, is approximately eighteen (18) miles from the Community.

The Egg Harbor Township Police Department is located on Bargaintown Road, within approximately three (3) miles of the Community. Fire protection is provided by the Bargaintown volunteer fire company located on Mill Road within approximately three (3) miles of the Community.

The Egg Harbor Township Parks and Recreation Department offers a variety of facilities to residents of Egg Harbor including Veterans Memorial Park (football and baseball/softball fields, tennis and basketball courts, playgrounds) at 2153 Ocean Heights Avenue, Childs-Kirk Memorial Park (soccer fields, baseball/softball fields and playground area) at 31 Idlewoods Avenue, Delilah Oaks Park (multi-purpose athletic field, basketball and tennis courts, and playground area) at Kent and Essex Drives, M.K. Betterment Park (basketball and volleyball courts and playground area) at 6 Atlas Lane Road, and Tony Canale Park (basketball and volleyball courts, baseball/softball fields and playground area) on Sycamore Avenue, all within ten (10) miles of the Community. The Children's Museum is located on Fire Road, within approximately four (4) miles of the Community.

The Shore Mall located on Black Horse Pike in Egg Harbor is approximately five (5) miles from the Community. The English Creek Mall located on English Creek Road in Egg Harbor is approximately three (3) miles from the Community. The Hamilton Mall is located on Black Horse Pike in Mays Landing approximately five (5) miles from the Community.

Places of worship located in Egg Harbor include Asbury United Methodist Church, Candiff Baptist Church, Church of the King, Crossroads Christian Center, Farmington Community Church, Friendship Bible Protestant Church, Heavensway Baptist Church, Holy Trinity Greek Orthodox Church, Harbor

Light Bible Church, Morning Star Holiness Church, New Life Church, Praise Tabernacle Church, Scullville Bible Church, Trinity Baptist Church and Zion United Methodist Church. There are places of worship located in neighboring communities serving many religious denominations.

Electricity is supplied by the Connective Energy Company. Gas is supplied by the South Jersey Gas Company. Water is provided by New Jersey American Water. Sewer is provided by the Municipal Utilities Authority. Trash removal is provided by the Township of Egg Harbor and recyclable removal is provided by Atlantic County Utilities Authority. Telephone is provided by Verizon. Cable television is anticipated to be provided by Comcast Cable.

5. MAINTENANCE, MANAGEMENT AND OPERATION OF THE PROPERTY

Upon conveyance of title to a Home, each purchaser automatically becomes a member of the Association, a not-for-profit membership corporation which has been created under Title 15A of the New Jersey Statutes. In addition, the Developer has one membership in the Association for each Home or potential Home to which title has not been conveyed. The Association is charged with the responsibility for the maintenance, management and operation of the Common Property.

Pursuant to Article VI, Section 6.01 of the By-Laws, the Association may do all that it is legally entitled to do under the laws applicable to its form of organization, subject to the Declaration. The Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the Community and shall further provide a fair and efficient procedure for the resolution of disputes between individual Owners and the Association, and between different Owners, that shall be readily available as an alternative to litigation.

Article VI of the By-Laws empowers the Board of Trustees to promulgate rules and regulations as may be necessary to carry out the intent of use restrictions as more fully described in the Declaration and to employ any person, firm or corporation to assist it in the performance of its duties.

The manner in which trusteeships on the Board of Trustees are filled is set forth in Article IV of the By-Laws. Initially, the Board of Trustees is to be composed of three (3) individuals appointed by the Developer, none of whom need be an Owner. As Homes within the Community are conveyed by the Developer, Owners will be elected to the Board of Trustees progressively to replace Developer-appointed Trustees. This "transition of control" from the Developer to the Owners is required by New Jersey law and is based upon the total number of Homes to ultimately be included in the Community. Thus, within thirty (30) days after the conveyance by the Developer of one hundred (100) Homes (i.e. 25% of the Homes) to individual purchasers, the Board of Trustees will be expanded to five (5) Trustees, three of whom will be appointed by the Developer and two (2) of whom are to be elected by Owners other than the Developer. Elected Trustees will serve for two-year terms and the appointed Trustees will serve until their successors are elected. When Owners other than the Developer own two hundred ninety-eight (298) (i.e. 75% of the Homes), the Board of Trustees shall be reconstituted and Owners other than the Developer shall then be entitled to elect the entire Board of Trustees; provided, however, that the Developer shall be entitled to appoint one (1) member of the Board of Trustees for so long as the Developer owns at least one (1) Home in the Community for sale in the normal course of business. The Developer may relinquish its rights to appoint a majority of any said Trustees at any time, in its sole discretion, provided that the Owners, other than the Developer, agree by majority vote to

assume such control as provided by N.J.A.C. 5:26-8.4(d). Other details concerning the turnover of control by the Developer to Owners other than the Developer are set forth in Article IV of the By-Laws. Regardless of whether or not administrative control of the Board of Trustees has been surrendered to the Owners, as improvements to the Community are completed, the Developer shall cause possession of same to be delivered to the Association, at which time the Association shall assume full responsibility for the repair and maintenance of same. The conveyance of the clubhouse will be subject to the rights reserved by the Developer to use the facility for sales and/or marketing purposes until it has sold the last Home within the Community. This will in no way relieve the Developer of its warranty obligations described in Paragraph 17 of this Public Offering Statement.

6. BUDGET

Pursuant to Article VII of the By-Laws, the Association is obligated to prepare an annual budget that reflects the anticipated Common Expenses for the ensuing fiscal year. Common Expenses include, but are not limited to, the estimated costs for the operation, repair and maintenance of the Property, the estimated costs for the operation of the Association and amounts which are to be placed in separate accounts as reserves for deferred maintenance and replacement of and capital improvements to the Property. Estimated annual operating budgets based upon full occupancy of Phase I (consisting of 273 Homes) and prevailing costs for 2004, as same is now proposed, appear as Exhibit 2 of this Public Offering Statement. One budget for Phase I sets forth the Common Expense Assessments which will be imposed prior to the completion of the Clubhouse facilities, and a further budget which will be adopted upon the completion of the Clubhouse facilities. An estimated annual operating budget based upon the full build out of the

Community (consisting of 397 Homes) and prevailing costs for 2004, as same is now proposed, also appears as Exhibit 2 of this Public Offering Statement. Included with the aforesaid estimated budget is an estimate of the initial annual Common Expense Assessments to be levied against the Homes for the initial fiscal year of the Association as well as a letter opining as to the adequacy of the budget and reserve funds.

While no agreement has been entered into as of the date of this Public Offering Statement, the estimated budget appearing as Exhibit 2 to this Public Offering Statement anticipates that the Township of Egg Harbor will be providing the services of trash removal for the Homes within the Community, and snow clearance from the public roadways serving the Community, and lighting of the public roadways.

The funds necessary to meet the Common Expenses contemplated by the budget are acquired by the Association primarily through payment of the Common Expense Assessment by Owners in monthly installments on the first day of each month. In the event of a casualty loss or eminent domain proceedings affecting the Common Property, if there is any common surplus of the Association, or any other disposition of the Common Property, any proceeds derived from same shall be allocated among the Owners in the same manner as those expenses were assessed or the Board may carry the surplus into the following fiscal year.

The forecasts discussed herein are not intended to be, and should not be taken to constitute, a guarantee by anyone that the actual initial Common Expense Assessments levied by the Board of Trustees for the Association's first or succeeding fiscal years of operation will be as set forth in the budget; and it is likely that the actual Common Expense Assessments will vary from the amounts shown. The Developer will not be

obligated to pay Common Expense Assessment installments for those Homes within the Community to which it holds title and for which the Township of Egg Harbor has issued Certificates of Occupancy, including sales office and models, until such time as they are initially conveyed for residential purposes in the ordinary course of business.

The Developer has reserved the right, but it is not obligated, while in control of the Association, to subsidize, in whole or in part, any deficit between the actual operating expenses of the Association and the Annual Common Expense Assessments assessed against Homes conveyed by the Developer. The Developer does not, however, intend to subsidize any deficit resulting from nonpayment of Annual Common Expense Assessments by Owners. Any subsidy shall not be used to artificially reduce the Annual Common Expense Assessments. Furthermore, the Developer makes no representations as to any increase which may result in the Common Expense Assessments should the Developer terminate or modify any subsidy by it of the Common Expense Assessments. Furthermore, until such time as the Developer has conveyed title to the last Home in the Community to an individual Owner, the Association shall not take any action to increase the Annual Common Expense Assessments, or impose any Special, Emergency, Capital Improvement, or Remedial Common Expense Assessment, or any other Assessment under Article VI of the Declaration without the prior written consent of the Developer.

In addition to the Annual Common Expense Assessments, Article VI of the Declaration provides that the Board of Trustees may also levy other types of assessments, including: (1) Special Common Expense Assessments; (2) Emergency Common Expense Assessments; (3) Capital Improvement Common Expense Assessments; (4) Remedial Common Expense Assessments; and (5) Miscellaneous Assessments.

If the costs incurred by the Association for any particular fiscal year exceed those which are estimated in the Association's budget, the Board of Trustees can impose a Special Common Expense Assessment to cover the deficiency. In addition, the Board of Trustees is empowered under the terms of Article VI of the Declaration to levy an Emergency Common Expense Assessment to defray the cost of any emergency or other repair, replacement or improvement of the existing common facilities of the Association. Any such repair, replacement or improvement which is not of an emergent nature, and costs more than $25,000, adjusted by increases in the Consumer Price Index for all Urban Consumers since 2004, and which has not been included in the Association's budget, must be approved by a majority of the Owners in good standing. Any expenditure for repair, replacement or improvement of the Common Property will be assessed against all Owners. The Board of Trustees is also authorized to levy a Capital Improvement Common Expense Assessment for the purpose of acquiring or constructing a new capital improvement. Any new capital improvement which costs more than $25,000 increased by the percentage of increase in the Consumer Price Index for all Urban Consumers since 2004 must be approved by at least two-thirds (2/3) of the Owners. Such an assessment cannot be made against the Developer without its express consent. If the Association performs any exterior maintenance to the Home that is typically the responsibility of the Owner and is not contemplated by the projected operating budget, the Board of Trustees may levy a Remedial Common Expense Assessment against each individual Home affected for the cost of such maintenance. Such maintenance may occur either because an Owner has failed to fulfill his responsibilities, causing damage to the Common Property, or because the Board of Trustees has determined, by its Rules and Regulations, to furnish certain items of ordinary exterior maintenance and

repair to Homes. Finally, any and all fines, late charges, costs of collection, interest on unpaid assessments, capital contributions, initiation fees, escrow deposits or any other sums due to the Association from an Owner shall constitute a Miscellaneous Assessment which the Owner has covenanted and agreed to pay in the same manner as all other Common Expense Assessments.

Until Homes are individually assessed and billed for real estate taxes by the Township of Egg Harbor, funds required to enable the Association to pay on behalf of all Owners any bulk real estate taxes estimated or assessed by the Township of Egg Harbor against the Community shall be collected by the Association through the assessment and collection of an additional Common Expense Assessment separate and apart from all other regular or special Common Expense Assessments imposed by the Association. This additional Common Expense Assessment may be utilized by the Association to establish and fund such real estate tax escrows as may be deemed necessary in the sole and absolute discretion of the Board so as to assure timely and full payment of bulk real estate taxes that are estimated or assessed. Further details of this additional Common Expense Assessment can be found in Article VI of the Declaration.

The regular Common Expense Assessments, Special Common Expense Assessments, Emergency Common Expense Assessments and other assessments levied by the Board, are personal obligations of each Owner under the terms of the Declaration. Payment of these charges is secured by an automatic and continuous lien against each Home. If any assessment instituted is not paid by an Owner, the Board can accelerate the outstanding installments and initiate a lawsuit to foreclose upon the Home. The Association can also commence an action against a delinquent Owner to compel the payment of any unsatisfied regular or special assessments.

While the Developer maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements or purchases not contemplated in this Public Offering Statement which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

While the Developer maintains a majority of representation on the Board, the Developer shall post, at the Association's expense, a fidelity bond or other guarantee acceptable to the Department of Community Affairs in an amount equal to the annual budget. Commencing with the first anniversary date of the recording of the Declaration and for succeeding years thereafter in which the Developer maintains a majority of representation on the Board of Trustees, the amount of the bond or other guarantee shall be in an amount sufficient to include accumulated reserves. The Association is responsible for paying the premiums on such bonds.

7. IMPROVEMENTS

The Homes, parking areas, landscaped grounds, sidewalks, recreational facilities and other site improvements discussed in Section 3 of this Public Offering Statement are the only improvements contemplated by the Developer.

8. MANAGEMENT AND SERVICE CONTRACTS

The Developer intends to cause the Association to enter into a management agreement appointing Wentworth Property Management, as the initial managing agent ("Managing Agent") for the Community prior to the closing of the first Home. A copy of this proposed Management Agreement appears as Exhibit 5 of this Public Offering Statement. Such management agreement will provide for certain financial and physical management of the Community

including, but not limited to, collection of assessments, payment of invoices, landscaping, snow clearing, operation and maintenance of the Common Property and amenities, and other similar items. The Management Agreement is for a period of two (2) years and may be terminated by either party with or without cause at the end of the month following the month in which a notice of termination is given. It is anticipated that, for so long as the Developer controls the Board of Trustees, the Managing Agent will continue to serve in its capacity as such for successive one year periods. The estimated management fee to be paid to the Managing Agent for services rendered is included in the proposed budget attached hereto as Exhibit 2.

It is anticipated that the Association, while its Board of Trustees is controlled by the Developer, will enter into refuse collection (from the recreational facilities), lawn maintenance, snow clearing, grounds maintenance and other agreements for services for the Community for which the Association rather than the Owners is responsible. There are presently no other service contracts, leases or other contracts or agreements or proposed contracts or agreements affecting the use, maintenance or access of any or all of the common facilities contemplated which will be binding upon the Association.

In accordance with the regulations promulgated pursuant to the Planned Real Estate Development Full Disclosure Act, N.J.A.C. 5:26-8.5, and for so long as the Developer controls the Board, no Management Agreement or any other contract or agreement affecting the use, maintenance, management or access of the common facilities entered into between the Developer and an Affiliate as defined in the Declaration, shall exceed one (1) year. Further, any such contracts or agreements shall not be renewed for periods in excess

of one (1) year and the Association may, at the expiration of any one (1) year period, terminate any further renewals or extensions thereof.

9. RELATIONSHIP BETWEEN DEVELOPER AND MANAGING AGENT

There exists no relationship between the principals of the Developer and the principals of the Managing Agent.

10. RESTRICTIONS ON OCCUPANCY, ALIENATION AND ALTERATION

Under Article IX of the Declaration, certain restrictions are imposed upon the use, occupancy, right to transfer and right to alter the Homes. These restrictions place limitations on activities such as keeping pets, parking vehicles, dumping waste, affixing loudspeakers, antennae or other items to the exterior of a Home, making structural alterations to a Home, and placing or causing to be placed any sign or signs upon any part of the Community. The restrictions also limit to two (2) the number of pets permitted to be kept in a Home, require the installation and maintenance of draperies, blinds or curtains on the windows at all times, and prohibits the construction of fences or sheds anywhere in the Community.

In addition, limitations are placed on the leasing and mortgaging of Homes. No Owner other than the Developer during the ordinary course of business shall lease or enter into an arrangement for use and/or occupancy of a Home for a term or period of less than three (3) months or more than one (1) year. Furthermore, no Owner shall permit the use and/or occupancy of a Home for transient or hotel purposes. Rentals shall be pursuant to leases which (a) are in writing; (b) are expressly subject to all applicable laws and provisions of the Governing Documents; and (c) expressly assign to the Association all rents due under the lease in the event of any delinquency in the payment of Common Expenses or other charges due and payable to the Association for more than thirty (30) days, including authorization for the

tenant to pay such rents directly to the Association to the extent that such Common Expenses and other charges are due and payable to the Association with respect to the Home. Moreover, no lease or occupancy of a Home shall be permitted unless a true copy of the lease is furnished in advance to the Association, together with the current address and phone numbers of both the Owner and the lessee. In addition, the Owner of the Home shall not have the right to utilize the Common Property during any period that said Home is rented. Except as permitted in Section 9.02 of the Declaration, an Owner shall not have the right to lease his Home or otherwise enter into arrangements for the use and/or occupancy of his Home. Every lease must also expressly state that the Owner of the Home has provided the tenant with the Governing Documents. Every lease must also expressly prohibit assignment of the lease and subletting. The occupants of any leasing or other arrangement for the use and/or occupancy for a Home shall also satisfy the age restrictions set forth in Section 9.04 of the Declaration.

Prospective purchasers should carefully review Section 9.02 of the Declaration which sets forth in detail the terms and conditions governing the rental of Homes.

Occupancy of Homes within the Community will be restricted to occupancy by at least one (1) permanent resident of a Home being at least fifty-five (55) years of age or over, with no children under nineteen (19) years of age permitted as permanent residents.

These are only examples of the types of restrictions on occupancy, transfer, and alterations that have been placed on the Community. Prospective buyers must be aware that as Owners they will be bound by these restrictions and any others imposed in the future by the Association. The Association is charged with enforcing these restrictions and may do so by

several different means, including the imposition of fines or the institution of appropriate legal action.

Each prospective purchaser should refer to Article IX of the Declaration and become thoroughly familiar with the restrictions before purchasing a Home.

11. INSTRUMENTS TO BE DELIVERED TO PURCHASER

A copy of the Contract for Sale of Real Estate attached hereto and made a part hereof as Exhibit 3 will be executed by the Developer and each purchaser for the purchase of a Home. At closing, a Deed in the form attached hereto as Exhibit 4 will be delivered to each Owner. No membership certificate in the Association will be delivered.

12. MONIES PAID PRIOR TO CLOSING

Except as provided in the Contract for Sale of Real Estate, all deposit monies paid by a prospective purchaser directly or through his agents or employees will be held in an escrow account by Grande Title Agency, LLC ("Escrow Agent"), 185 West White Horse Pike, Berlin, New Jersey 08009 until such time as title to the Home is transferred or the Contract for Sale of Real Estate is terminated, at Commerce Bank - Berlin Office, 247 South White Horse Pike, Berlin, New Jersey 08009.

13. EASEMENTS, ENCUMBRANCES AND RESTRICTIONS

The Developer reserves the right to encumber all or any portion of the Community with the lien of a construction mortgage(s) at any time prior to its conveyance of a Home to a purchaser. Any Contract for Sale of Real Estate pursuant to which a purchaser has contracted to purchase a Home in the Community shall by its express terms be subordinate and subject to the lien of any such mortgage(s). Any blanket mortgage(s) shall provide for the release of individual Homes. Furthermore, the Developer shall be obligated,

at its sole cost and expense, to obtain the release of a Home before conveying title to a Home to a purchaser. No purchaser shall be obligated to accept title to a Home unless the Developer demonstrates that the Home and its proportionate interest in the Property will be or has been released from the lien of the mortgage(s) prior to or at the time of the conveyance of the Home to a purchaser. In the event the Developer cannot secure such release of the Home at or prior to closing, the purchaser shall be entitled to receive a full refund of all deposit monies paid under the Contract for Sale of Real Estate. The Developer will also reimburse the purchaser for title examination and survey costs if the purchaser produces adequate proof that the purchaser has paid or been charged for these expenses.

As of the date of this Public Offering Statement, the Community is not subject to the lien of any mortgages.

The Community will be subject to the following easements which shall apply and run to each Owner:

(1) An exclusive easement for the existence and continuance of any encroachment by his Home upon any portion of the Common Property or adjacent Home, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of a Home, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Home stands;

(2) A non-exclusive easement for ingress to and egress from his Home in, upon, under, over, across and through the Common Property;

(3) A perpetual and non-exclusive easement for access to and enjoyment of any facilities which may be constructed on the

Common Property, provided, however, that the use of such easement may be denied by the Board during any period when the Owner's membership in the Association is deemed by the Board not to be in good standing.

The Developer, its successors and assigns, shall have the following easements with respect to the Community:

(1) A blanket and non-exclusive easement in, upon, over, through, under and across the Property for the construction, installation, maintenance and repair of any improvements to the Community and Common Property, for ingress and egress for the use of all roadways, drives, driveways, walkways and parking areas, and for the placement of signs and utilization of existing and future model Homes for sales promotion and exhibition, until the expiration of two (2) years from the date the last Home is sold and conveyed in the normal course of business, but in no event more than ten (10) years from the date this Declaration is recorded. In addition, the Developer hereby reserves the irrevocable right to enter into, upon, over or under any Home for such purposes as may be reasonable and necessary for the Developer or its agents to service the Common Property, the Community, any Home or any part of a Home, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate whether or not the Owner is present at the time;

(2) A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Community for surface water runoff

and drainage caused by natural forces and elements, grading or the improvements located upon the Community. No individual Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Community; and

(3) A specific easement in favor of the Developer, its successor and assigns, its agents, servants and licensees, for the purposes incidental to the development and the construction and marketing of the Community by the Developer, its successors and assigns; provided, however, that such easement shall expire upon the conveyance by Developer, in the ordinary course of business, of the last Home, to an individual or entity other than Developer.

A. The Community shall also be subject to the following perpetual easements for the benefit of the Association:

(1) An exclusive easement for the maintenance of the Common Property, and lawn maintenance and irrigation for individual Homes; and

(2) Through the Board of Trustees or any manager or managing agent, or their respective agents or employees, the Association shall have the perpetual and non-exclusive right of access to each Home: (i) to inspect same in connection with the performance of its responsibilities under the Governing Documents, (ii) to remedy any violations of law and/or the provisions of the Governing Documents, and (iii) to perform any operations required in connection with the maintenance, repairs or replacements of or to the Common Property, or any equipment, facilities or fixtures affecting or serving any Home(s) or the Common Property; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case

of an emergency, such right of entry shall be immediate, whether the Owner is present at the time or not.

B. Any holder of a Permitted Mortgage, its officers, agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Community and to inspect the condition of the Common Property or any Homes encumbered by a mortgage owned by it. This right shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance written notice to and with the permission of the Board of Trustees and the Owner in question.

C. The Common Property is subject to blanket, perpetual and nonexclusive easements of unobstructed ingress to and egress from, access to and travel within, upon, over, under, across and through the Community to the Township of Egg Harbor, its respective officers, agents and employees (but not the public in general), and all police, fire and ambulance personnel in the proper performance of their respective duties (including but not limited to emergency or other necessary maintenance, repair and/or replacement to a Home which the Owner has failed to perform) and for emergency or other necessary maintenance, repair and/or replacement of the Common Property which the Association has failed to perform. The foregoing easement for the benefit of the Township of Egg Harbor is expressly understood to include a maintenance easement to the Township of Egg Harbor authorizing, but not requiring, the Township of Egg Harbor to enter upon the Common Property for the purpose of inspection and/or maintenance and/or repair of the detention basins established within the Common Property and for which the Association is responsible in the event the Association fails to fulfill its responsibilities relative thereto. Except in the event of emergencies, the rights accompanying the easements provided for herein shall be exercised only

during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Owner(s) directly affected thereby.

D. The Community is subject to a blanket, perpetual and non-exclusive easement of unobstructed ingress to and egress from, access to and travel within, upon, over, under, across and through the Common Property for the purpose of reading, servicing or repairing utility lines and do everything and anything else necessary in order to properly maintain and furnish utility service to the Community, which easement shall be for the benefit of the Developer and any duly authorized governmental agency, utility company or other entity furnishing utility service, including master cable or television or electronic security service to the Common Property.

E. The Community will also be subject to all easements, restrictions and grants of record which affect the Property as recorded with the Atlantic County Clerk including, but not limited to, as set forth below:

1. Restriction prohibiting the Property to be used for a sand and/or gravel pit as contained in Deed Book 1809, at Page 135.

2. Vacation of a portion of Mill Road by Ordinance No. 6 of 1992, Township of Egg Harbor, recorded July 23, 1992 in Vacation of Roads Book 16, Page 127.

3. Declaration of Covenant and Restriction by DiMarcan, L.L.C. dated February 2, 2004 and recorded June 23, 2004 as Instrument No. 4062465 and in Deed Book 7766 at Page 1, restricting sufficient acreage of the Property to maintain consistency with the residential density requirement.

4. Amended Declaration of Covenant and Restriction by DiMarcan, L.L.C. dated September 24, 2004 and recorded October 5, 2005 as Instrument No. 4099864 and in Deed Book 7860 at Page 1, restricting sufficient acreage

on the Property to maintain consistency with the residential density requirement (corrects the legal description contained in Instrument No. 4062365 recorded in Deed Book 7766 at Page 1.

5. Developer's Agreement-English Mill by and between the Planning Board of the Township of Egg Harbor and DiMarcan, L.L.C. dated July 2, 2004 and recorded July 15, 2004 as Instrument No. 4070465 and in Deed Book 7783 at Page 1.

6. Cross-Easement Agreement by and between Canetic Land, L.L.C. and D.R. Horton, Inc.-New Jersey dated October 7, 2004.

The Developer will have satisfied its obligations as to quality of title if it delivers at the closing title subject only to the exceptions referred to in this Public Offering Statement and the Specimen Owner's Policy of Title Insurance that appear as Exhibit 7.

14. NATURAL AND ARTIFICIAL FORCES AFFECTING USE OF THE PROPERTY

Charles Jones, L.L.C. has certified that portions of the Community are located within a Flood Hazard Area as identified by the Federal Insurance Administration. Copies of the certifications appear as Exhibit 6 to this Public Offering Statement. Based upon the review of a plan of the Community, a determination will be made that none of the improvements proposed for development will be located within a Flood Hazard Area. Accordingly, prospective purchasers should note the proposed insurance coverage of the Homeowners Association as set forth in Exhibit 2 to this Public Offering Statement does not include flood insurance coverage for any part of the Community or any improvements. Each purchaser should consult their own professionals to determine if flood insurance is either necessary or desirable.

The Developer makes no representation as to the requirements of any applicable mortgage lender with respect to flood insurance. Neither the Developer nor Association shall have any responsibility or obligation in this regard.

As part of the normal development process, the Developer obtained and reviewed various environmental tests, investigations and reports of the soils within the Community. In this regard the Developer caused a Preliminary Assessment & Phase I Environmental Site Assessment dated September 30, 2002 to be prepared by Schoor DePalma Inc. (the "Phase I Assessment"). The purpose of the Phase I Assessment is to determine the presence of environmentally sensitive areas and hazardous material that might impact the site's development potential. It provides a non-intrusive assessment of historical uses of the site, relevant site conditions, environmental regulations and for current compliance obligations. They define environmentally sensitive areas and discuss certain materials deemed hazardous under state and federal environmental laws and regulations that were found in and near the site, the various historic operations that took place on and near the property and its surroundings. The Phase I Assessment found that there was non-hazardous solid waste observed at the site, which will be addressed during the development of the Community. Wetland areas located on the northern portion of the Property were also noted in the Phase I Assessment.

A copy of the Phase I Assessment may be reviewed in the Developer's sales office. Before a Purchase Agreement is signed for the purchase of a Home, all people who will reside in the Home are urged and indeed are instructed to review these materials to learn about and to have

their questions answered on the scope and details of the environmental history of the site and the general area.

Elevated radon levels have been discovered in existing homes and other structures which have been tested in New Jersey, including Atlantic County. The New Jersey Department of Environmental Protection has not classified Egg Harbor Township, Atlantic County as a "Tier One" area for purposes of testing for the presence of radon gas in existing structures. Radon is a naturally occurring invisible, odorless gas formed underground by decaying radium. The gas, which usually rises to the surface and dissipates harmlessly, can reach elevated levels if trapped in well insulated or poorly ventilated areas. At the present time, the Developer is unaware of any reliable test to determine radon levels in soil and it is impossible to know whether elevated levels will be found in Homes constructed by the Developer within the Community. The Developer cannot represent, warrant or guarantee that the techniques utilized by the Developer in the construction of the Homes will eliminate or reduce the entry of radon gas into a Home.

Prospective purchasers should note that once a Home is constructed, the levels of radon gas that might be detected by a test are dependent upon many factors which are unique to the Home, the time of the year that testing takes place and the lifestyle of the occupants of a Home. It is not possible to obtain readings of radon levels while a Home is under construction which would be reliable indicators of levels of completed, occupied Homes; therefore, purchasers shall not be permitted to take measurements prior to the acquisition of title. The Developer cannot give scientific advice concerning the existence or effects of radon. If, after the conveyance of title to a Home, an Owner conducts a test for the presence of radon gas which reliably reveals a recognized unacceptable level of same,

any remedial efforts required to alleviate the problem shall be the Owner's responsibility at his sole cost and expense.

All recognized environmental conditions discussed in the Phase I have been addressed by the Developer, or its predecessor in title as of the effective date of this Public Offering Statement. A copy of the Phase I Assessment Report, in its entirety, is available for review by prospective purchasers at the Developer's sales office. It is the Developer's good faith belief and opinion that the aforesaid concerns set forth in the Phase I Assessment will not adversely affect, on a regular basis, the use and/or enjoyment of the Homes and/or the Property; however, prospective purchasers should make their own independent evaluations in this regard. The Developer will perform the recommendations of the Phase I Assessment as aforesaid in its development of the Property.

A number of factors such as the final topography and other natural conditions of the land may affect the use and enjoyment of Homes and areas around them. Purchasers should review the approved site and topography plans available in the Developer's sales office, keeping in mind that grading and clearing of the site for construction, location of retaining walls, the setback distances between buildings and site boundaries or other structures and natural vegetation may be changed due to governmental directives or conditions encountered during construction. The setback or other zoning requirements and the easements and restrictions discussed elsewhere herein may also affect an Owner's ability to make improvements to his Home after it is conveyed by the Developer and Purchasers should consult with their attorney to determine the impact of same, if any.

Purchaser should also be aware that neither the Developer nor its sales representatives make any representations concerning purchasers ability

to use their property other than those representations set forth in each Contract of Sale. Purchasers need to determine for themselves their ability to make improvements to their property after they close title. For example, Purchasers should make their own investigation by consulting with the appropriate professionals as to their ability to construct a storage shed, deck, patio, fence, etc. The existence of wetland areas, easements, drainage swales and setbacks as depicted on the approved subdivision plans may affect their ability to make certain improvements to their lot. No assumptions should be made with respect to the flatness or steepness of site grades or driveway grades, the number of trees/plantings on their lot or retaining walls. Both existing and required slopes and grades, as well as soil and rock conditions, will have an effect on the final grade condition of their lot. Purchasers may or may not find these final grade conditions suitable for their intended uses and enjoyment of the property. Further, the disturbed portion of their lot will be graded and seeded, and a portion of their lot will be left in its undeveloped natural state which may be wooded, a meadow or a fallow field.

Purchasers should be aware that yard areas are sloped to accommodate drainage from their lots as well as from adjoining properties. Also, no representations are made as to location of utility vaults or boxes, utility poles, street lights, street signs, mailboxes or fire hydrants. Purchasers should carefully review the final subdivision plans located in the Sales Office and on file with the Township. If Purchasers are not comfortable reviewing the plans, we encourage them to retain someone competent to review such plans, particularly with respect to the various easements, location of septic systems, and final grade and lot clearing conditions that will exist upon completion of grading, clearing and

landscaping (note that as stated above, these are subject to change during construction).

To the best of Developer's knowledge, information and belief, the Community is not subject to any other regular or periodic natural or artificial forces that may have a detrimental impact on the use or enjoyment of the Community.

15. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS

The Township of Egg Harbor tax rates and ratios for 2003 and the two (2) previous years are as follows:

	TAX RATIO	TAX RATE PER $100 OF ASSESSED VALUE
2004	75.80%	3.184
2003	75.80%	2.961
2002	82.37%	2.691

After the Declaration is recorded, each Home will be subject to being separately assessed for local real estate property taxes and the liability of each Owner for the tax assessed against its Home will be independent of the liability of every other Owner.

The Developer is unable to give a precise estimate as to what the actual real estate taxes assessed against each Home will be. Therefore, each prospective purchaser should make independent inquiry with the tax assessor of the Township of Egg Harbor as to what the potential real estate tax liability for a specific Home might be. However, the Developer has been required by the Department of Community Affairs pursuant to the Planned Real Estate Development Full Disclosure Act to provide an estimate as to the amount of real estate taxes that might be assessed by the Township of Egg Harbor for the various Homes offered by the Developer hereunder. While the Developer is unable to represent what the actual real estate taxes

ultimately assessed against each Home offered hereunder will be for the year of conveyance or thereafter, the Developer, in order to comply with the aforesaid requirement of the Department, is providing the following based upon current estimates of low and high initial base sales prices:

ESTIMATED INITIAL BASE SALES PRICE	ESTIMATED ANNUAL REAL ESTATE TAXES
$199,990	$4,824
$239,990	$5,792

The foregoing estimates have been prepared by the Developer utilizing the 2003 ratio of assessed value to true value and tax rate obtained from the Egg Harbor Township Tax Assessor's Office as of the latest date appearing on the cover of this Public Offering Statement. The aforesaid 2003 ratio and rate were then applied to the then current estimated initial base sales price for each of the Developer's model types being offered as of the date appearing on this Public Offering Statement. The actual real estate taxes assessed against a particular Home will depend upon a number of factors including, but not limited to, the actual purchase price of the Home, the assessed value of the Home as determined by the Egg Harbor Township Tax Assessor, the actual ratio of assessed value to true value utilized by the Egg Harbor Township Tax Assessor for a particular year in question and the actual tax rate established by Egg Harbor Township for a particular year. To the extent that any one or more of the aforesaid factors vary, the actual real estate taxes assessed against a particular Home may be lower or higher than the estimates given. Thus, to the extent that the herein reflected estimated initial base sales price for a particular Home is increased in a particular transaction as a result of a purchaser's inclusion of extras, options, upgrades, etc., the real estate taxes can be expected to be higher than those estimated. Accordingly, the Developer makes no representation as to what the actual real

estate taxes assessed against any particular Home hereby offered will be. Each prospective purchaser should make independent inquiry with the Egg Harbor Township Tax Assessor's Office as to what the potential real estate tax liability for a specific Home might be.

Any real estate taxes or assessments due and payable at the time of closing of title to a Home will be adjusted and apportioned as of the date of closing. It is reasonable to expect that taxes will increase in the future. Any unconfirmed municipal assessment not due and payable as of a date prior to the title closing date will be paid by the purchaser.

To the best of the Developer's knowledge, there are no existing or proposed special taxes or assessments on the Community. No representation is made, however, as to special taxes or assessments which may be assessed by the Township of Egg Harbor in the future.

The Township of Egg Harbor has the right to make local improvements which benefit the Homes and the Community. Such improvements could include installation of utilities, road improvements or the like. The cost of the improvement would be charged against the property receiving the benefit of the improvement. This charge, known as a special assessment, would be in addition to real estate taxes.

The Developer is not aware of any actual or proposed special assessments that will affect the Community. In the event that there is a special assessment against the Community prior to recordation of the Declaration, the Developer will be responsible for the proportionate share of that assessment pro-rated to the day of recordation.

If a municipal improvement benefiting the Home would be completed prior to the date of closing, the Seller would pay the assessment, if any. The Seller may use the proceeds of closing to satisfy the assessment. If a

municipal improvement benefiting the Home is not completed prior the date of closing, the Owner would be responsible for paying the assessment, if any.

16. SETTLEMENT COSTS AND CLOSING OF TITLE

A. Title to each Home, insurable at regular rates, will be conveyed to each purchaser by the Developer by bargain and sale deed with covenants against grantor's acts free and clear of all liens and encumbrances other than:

(1) Zoning regulations and ordinances of the Township of Egg Harbor, and any amendments thereto now or hereafter adopted;

(2) Easements, covenants, restrictions, reservations, agreements and other matters contained, incorporated by reference or referred to in this Public Offering Statement, the Declaration or any exhibits thereto;

(3) Any state of facts which would be shown by an accurate survey or title search, so long as same do not render title uninsurable at regular rates;

(4) Those exceptions set forth in the specimen Owner's title insurance policy set forth at Exhibit 7 to this Public Offering Statement;

(5) Possible additional taxes assessed or levied under N.J.S.A. 54:4-63.1 et seq. (added assessment for additions or improvements to a structure during the current tax year); and

(6) From and after the date the Declaration is recorded, the lien in favor of the Association for unpaid Common Expense Assessments.

B. The estimated closing costs to be borne by each purchaser of a Home will include, but will not necessarily be limited to:

(1) The costs for recording the deed to the Home;

(2) Mortgage closing costs, if applicable, which shall include but not necessarily be limited to the following:

a. a nonrefundable application fee that must usually be paid at the time the mortgage application is submitted;

b. the mortgagee's counsel review fee;

c. the mortgage recording fee;

d. pro-rata interest on such mortgage loan from the date of closing of title to the Home to the date of the first regular monthly principal and interest payment;

e. a deposit to establish an escrow account for the payment of annual real estate taxes which have been or will be assessed against the Home;

f. the cost of private mortgage insurance, only if applicable, due upon closing of title;

g. such other escrows, processing fees, origination fees, administrative fees, etc., as may be required by a mortgagee, including, but not limited to, appraisal fees, termite certification, inspection and reinspection fees, etc.;

h. the cost of a mortgagee's policy of title insurance, including all premiums, search fees, etc., in connection with same;

i. the cost of a survey, approximately $450.00 if requested by a purchaser or purchasers' lender; and

j. flood insurance, if required by a lender;

(3) The fees and expenses of his own attorney, if any;

(4) A pro rata share of the Common Expense Assessment attributable to the Home, adjusted from the closing date to the first day of the next month;

(5) A nonrefundable, nontransferable working capital contribution to the Association in an amount equal to $550.00, which will be available to the Association for (i) the off-set of cash flow or budget deficits, (ii) payment of operating expenses, (iii) operating contingency reserves, (iii) repair and replacement and/or deferred maintenance reserve, (iv) working capital reserve, and/or (v) any other lawful purposes(s) permitted by the Governing Documents;

(6) The cost of an owner's fee policy of title insurance for his Home, if desired by the purchaser, such policy being available through Grande Title Agency, L.L.C., as agent for First American Title Insurance Company, or any other title company of the purchaser's choice;

(7) The amount of any bulk real estate tax escrow imposed by the Association as discussed in Section 6 of this Public Offering Statement and as provided for in Article VI of the Declaration; and

(8) any charge imposed by a settlement agent or lender including, but not limited to, a fee for filing Form 1099B.

The Developer will pay (i) the cost of preparation and recording of releases from any mortgages placed upon the Property by the Developer, (ii) the cost of obtaining the certificate of occupancy from the Township of Egg Harbor, and (iii) the Realty Transfer taxes.

17. WARRANTY

The Developer warrants its construction of the Homes as follows:

(1) In accordance with the provisions of the New Jersey New Home Warranty and Builders' Registration Act (N.J.S.A. 46:3B-1 et seq.), the Developer shall enroll each Home, at or prior to closing, in an approved warranty security plan and shall pay all requisite fees/premiums for such enrollment and coverage; provided, however, any deductibles for such warranty coverage shall be the obligation of the purchaser.

(2) The Developer warrants that any outbuildings, driveways, walkways, patios, decks, retaining walls and fences shall be free from substantial defects due to material and workmanship for a period of one (1) year from the date of closing or from the date of possession, whichever first occurs.

(3) The Developer warrants that all drainage is proper and adequate, and all off-site improvements, if any, will be free from defects for a period of one year from the date of construction provided that drainage is not altered during the construction of the Homes.

(4) The Developer warrants that all Homes offered hereby are fit for their intended use.

(5) The Developer warrants that all the common facilities are fit for their intended use and Developer warrants the construction of same for a period of two (2) years from the date of completion of each facility. The Developer shall repair or correct any material defect in construction,

material or workmanship in the common facilities within a reasonable time after notification of the defect.

(6) The Developer also warrants that the residential dwelling shall substantially conform to sales models, descriptions or plans used, if any, to induce the purchaser to enter into an Contract for Sale of Real Estate to purchase a Home, unless otherwise noted in the Contract for Sale of Real Estate.

(7) All landscaping installed by Developer is warranted for one year from the date of installation; however, the Developer does not warrant any trees and natural growth which existed on the Property prior to Developer's construction on the Property. The Association will be responsible for all maintenance of the landscaping, the trees, and natural growth on the Common Property and the maintenance of the lawn areas surrounding the Homes, excluding planting beds.

(8) At the time of closing of title to a Home the Developer will assign to the Purchaser all assignable manufacturers' or suppliers' warranties or guarantees as to materials, appliances, fixtures and equipment. The manufacturer or contractor providing any such warranty shall be primarily liable to correct any defect in the warranted item for the duration of the warranty.

While the Developer maintains control of the Board, it shall take no action which adversely affects an Owner's rights under N.J.A.C. 5:25-5.5. Claims relative to defects in Property shall be processed in accordance with N.J.A.C. 5:25-5.5.

No step taken by the Developer to correct a defect in a warranted item will serve to extend any warranty period beyond its initial term. The foregoing warranties are applicable only to the items warranted and only if

the noted defects are reported in writing prior to the expiration of the applicable warranty. Defects or damage caused by Owners, their guests or invitees are excluded from these warranties. The Developer specifically disclaims any responsibility for any consequential damage caused by any defect in a warranted item and nothing contained herein shall be deemed to make the Developer an insurer of the property of any Owner.

Prospective purchasers should note that the Home is a combination of a number of naturally occurring and man made products which contain variations. The Developer of a Home which will contain these products cannot guarantee their level of consistency. Accordingly, variations, including those described below, are beyond the builder's control and neither the Developer nor their subcontractors are responsible when they occur in a Home.

WOOD: Wood of the same species will vary in color, mineral streaking, texture, pitch pockets, and grain uniformity, depending on when, where, and how the tree grew, and the fact that different wood products come from different manufacturers. These characteristics will occur on adjacent cabinets, between pairs of doors and/or drawers, within the same cabinet panels, between flooring, stair treads and railings, and between flooring and cabinets/vanities. It is these differences, caused by nature, that create the warmth and individuality of fine woods.

Darker finishes tend to hide some of these natural characteristics while lighter finishes allow them to be seen. Because of this, the variations in color and contrast may be different than that which can be visualized while at a display or in a smaller sample.

The finish characteristics of cherry wood, in particular, may be affected as the wood darkens with age. As it ages, some areas of

finish can appear less transparent or almost solid color. This finish variation is typical and cannot be considered defective.

STUCCO: The final appearance of a Home may be impacted by sunlight angles, shadows from architectural details, application and texturing techniques, environmental surrounding, and stucco lot to stucco lot color variations.

BRICK/STONE: Brick and stone products are composed of earthen materials and go through many processes before firing and consequently each run or lot of brick/stone will vary. Photographs, samples and even completed homes are only a representation of the color and each run or lot and even installation can vary from Home to Home. An exact replication of total color or percentages as displayed by samples or model homes cannot be guaranteed.

GRANITE: The granite used in counter tops, fireplace surrounds and hearths, and tile contains color variations and "veining". Accordingly, consistency cannot be guaranteed.

As indicated, the aforesaid are examples of naturally and made-made products which will contain variations. This is not intended to be all inclusive and there will be other products which are an integral part of a Home which will exhibit variations similar to those described.

18. INSURANCE

Under Article VI of the Declaration and Article VI of the By-Laws, the Board of Trustees is obligated to procure and maintain certain policies of insurance to the extent obtainable in the normal commercial market place, including:

A. Broad form insurance against loss by fire and other hazards normally covered by the standard extended endorsement insuring the full

replacement value of all improvements existing on the Common Property and covering the interests of the Association, the Board of Trustees, the Developer, and all Owners and Mortgagees as their respective interests may appear, in an amount equal to the full replacement value of such improvements (exclusive of foundations and footings), without deduction for depreciation;

B. Public liability insurance in such amounts as the Board of Trustees may, from time to time, determine covering each Trustee (and any other officer, the Managing Agent, the Manager, and each Member and shall also cover cross liability claims of one insured against another) from accidents occurring within the Property. Such public liability insurance shall be in an amount not less than $1,000,000.00 per occurrence for claims of bodily injury or property damage or both;

C. Trustees and Officers liability insurance indemnifying the Trustees and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties;

D. Workers' compensation and New Jersey Disability Benefits Insurance as required by law;

E. Such other insurance as the Board may deem appropriate. The insurance that must be maintained by the Board is set forth in detail in Article VI of the Declaration and Article VI of the By-Laws. A letter opining as to the adequacy of the insurance coverage proposed is included as part of Exhibit 2 of this Public Offering Statement.

The premiums for all insurance carried by the Association shall be a Common Expense. The coverage obtained by the Association will not be for the benefit of individual Owners or Homes. The Developer recommends that each Owner procure fire and casualty coverage for his Home and insurance

against liability for the Owner's acts or omissions and occurrences within the Owner's Home.

The Developer recommends that each Owner consult with a licensed insurance broker in order to ascertain the types of insurance and policy limits which best satisfy their needs and satisfy the insurance obligations imposed upon the Owners by the Declaration and the By-Laws. Each such policy must, however, contain a waiver of subrogation of all claims against the Association and other Owners and satisfy other criteria established by Article VI of the Declaration and Article VI, Section 6.02(h) of the By-Laws.

19. RIGHTS AND OBLIGATIONS OF DEVELOPER

The Developer has obligated itself to perform in accordance with the terms of this Public Offering Statement. The Developer is not liable for any undertakings other than those set forth in the Governing Documents.

A. Unsold Homes - Rights of the Developer to Rent

The present intention of the Developer is to sell all of the Homes in the Community; however, the Developer reserves the right to rent any unsold Home for such a term, at such a rental and under such terms and conditions as it shall deem appropriate. In the event the Developer exercises its right to rent or lease to non-contract occupants, the Developer shall be responsible for the payment of the appropriate maintenance fee to the Association, in the same manner as all Owners of Homes. Every lease must also expressly state that the Owner of the Home has provided the tenant with a copy of the Declaration and By-Laws. Every lease is subject to the provisions outlined in Section 9.02 of the Declaration.

B. Obligation of Developer to Post Fidelity Bond

The Board of Trustees shall require fidelity bonds for all persons handling or responsible for Association funds. The amount of such

bonds shall be in the amount of the maximum funds that will be in the custody of the Association at any one time, but in no event less than the sum of three (3) months' assessments of all Homes in the Community. This amount shall be determined by the Board of Trustees. While the Developer maintains a majority of representation on the Board of Trustees, the Developer shall post, at the Association's expense, a fidelity bond or other guaranty acceptable to the New Jersey Department of Community Affairs, in an amount equal to the annual budget. For the second and succeeding years in which the Developer maintains a majority of representation on the Association's Board of Trustees, the amount of the bond or other guaranty shall also include accumulated reserves. The premiums on such bonds shall be paid by the Association. The Developer shall be obligated to have the aforesaid fidelity bond or other guarantee in place by no later than the date of the recordation of the Declaration. The fidelity bond or other guarantee shall name "The Village Grande at English Mill Homeowners Association, Inc.," as beneficiary or loss payee and is to insure the fidelity of the managing agent that is named by the Developer-controlled Board of Trustees.

While the Developer maintains a majority of the Board of Trustees, the Developer shall have an annual audit of Association funds prepared by an independent public accountant, a copy of which shall be delivered to each Owner and to Eligible Mortgage Holder upon the submission of a written request for same by said Eligible Mortgage Holder within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts.

Except as provided above, no bond or other guarantee will be provided to secure the Developer's obligations under this Public Offering Statement.

20. HOMES ACQUIRED BY THE ASSOCIATION

All Homes acquired by the Association or its designee, if any, shall be held by it or its designee, on behalf of all Owners. No Homes so acquired and held shall carry voting rights during the period of Association ownership.

21. FINANCING AND TERMS OF PURCHASE

Each Home will be initially offered for sale under the terms and conditions set forth in the Contract for Sale of Real Estate, attached hereto as Exhibit 3. The Developer reserves the right to change the prices under which any unsold Homes are offered for sale. The Developer also reserves the right to change the terms under which such sale is offered to the general public.

If an individual elects to purchase a Home, he will be required to execute a Contract for Sale of Real Estate for the applicable Home and tender a check for the initial down payment in the amount of no less than $5,000.00 and no more than ten (10%) percent of the base purchase price. A cash payment shall be required for 50% of the amount of any additional extras selected at the time such extras are ordered. THE CONTRACT FOR SALE OF REAL ESTATE PROVIDES THAT A PURCHASER SHALL HAVE THE RIGHT TO CANCEL THE AGREEMENT, WITH OR WITHOUT CAUSE, BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY AFTER THE DAY ON WHICH THE AGREEMENT WAS EXECUTED. SUCH CANCELLATION SHALL BE WITHOUT PENALTY, AND THE INITIAL DOWN PAYMENT MADE BY THE PURCHASER SHALL BE PROMPTLY REFUNDED IN ITS ENTIRETY WITHOUT INTEREST.

If the purchaser defaults under the terms of the Contract for Sale of Real Estate, the Developer may cancel the Agreement and be entitled to liquidated damages in an amount equal to ten (10%) percent of the base

price of the Home, which total purchase price will include the cost of all extras installed by the Developer at the request of the purchaser, without interest. If the deposit exceeds this amount, the Developer will refund the difference to the purchaser, without interest, within a reasonable time after the Contract for Sale of Real Estate is cancelled by the Developer. If the deposit is less than the amount the Developer is entitled to recover, the Developer may institute suit for the balance. If a Contract for Sale of Real Estate is cancelled by the Developer upon the default of a purchaser, the Developer will have the right to sell the Home to others, and the defaulting purchaser and the Developer will be relieved of all further liabilities and obligations with respect to the Contract for Sale of Real Estate.

In the event the Developer defaults under and pursuant to the terms of the Contract for Sale of Real Estate, the purchaser will only be entitled to a refund of all deposit monies paid, without interest, together with the costs of title examination and survey actually incurred by the purchaser.

The terms of the sale and other provisions of an actual Contract for Sale of Real Estate entered into between the Developer and any given purchaser may vary from the provisions contained in the form in Exhibit 3 of this Public Offering Statement based upon negotiations between the parties, but such variations shall have no effect on the provisions of any other Contract for Sale of Real Estate theretofore or thereafter entered into by the Developer and any other purchaser or materially affect the Developer's obligations as set forth in this Plan. In addition, the Developer reserves the right to change the purchase price and other terms and conditions of purchase.

As of this date, the Developer has made no arrangements to designate a particular lending institution to provide mortgage financing to purchasers. In the event a lender is designated, and a purchaser wishes to finance a portion of his purchase price through the designated lender, he will be obligated to complete all applications for the loan required by the lender and return them to the Developer within the times set forth in the Contract for Sale of Real Estate. If the purchaser's application for a loan to a designated lender does not result in the issuance of a commitment for the loan within the time set forth in the Agreement, the purchaser must then take steps to obtain financing from a lender of his choice within a particular time. If a purchaser wishes to apply in the first instance for financing from a lender other than any designated by the Developer, he will also be obligated to take the necessary steps within particular times. All prospective purchasers are advised to review the sample Contract for Sale of Real Estate carefully in this regard.

22. GENERAL

The Developer does not knowingly omit any material fact or contain any untrue statement of material fact and does not contain a complete summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents. No person has been authorized to make any representation which is not expressly contained herein. Any information, data or representation not contained in this Public Offering Statement, the Application for Registration as filed with the Division of Codes and Standards, Bureau of Homeowner Protection of the New Jersey Department of Community Affairs or in the documents referred to in this Public Offering Statement may not be relied upon.

To the best of the Developer's knowledge, information and belief, there are no lawsuits or other proceedings now pending or any judgments outstanding against the Developer or any person which might become a lien against the Property or which might materially affect this offering except as herein expressly set forth.

The Developer represents that the Developer and the Association, for so long as it is controlled by the Developer, will not discriminate against any person because of sex, race, creed, marital status, color, national origin, ancestry, familial status, handicap, affectional or sexual orientation in the sale of any Home.

The Developer reserves the right to amend this Public Offering Statement and related documents from time to time, and any such amendment which does not materially and adversely affect any purchaser or his Home or which is required by a lender having a mortgage on the Property, by any title company approved by the Developer to insure title to the Property or by any governmental agency having jurisdiction over the Property, shall be binding upon every purchaser who has theretofore executed a Contract for Sale of Real Estate or accepted title to a Home.

A copy of the Developer's most recent Financial Statement is available for inspection by interested prospective purchasers at the sales office for the Community.

The Developer hereby represents that to the best of its knowledge, information and belief the statements and representations contained herein are true and accurate.

D.R. HORTON, INC. - NEW JERSEY,

By: /s/ Al Garfall
Al Garfall, President