

PUBLIC OFFERING STATEMENT

FILED AND PRESENTED
BY

D.R. HORTON, INC. - NEW JERSEY,
A Delaware Corporation
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 PUBLIC OFFERING STATEMENT 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 PUBLIC OFFERING STATEMENT 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
REGISTRATION NUMBER: R-3823

PREPARED BY:
GREENBAUM, ROWE, SMITH & DAVIS, LLP
Metro Corporate Campus I
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November 29, 2011

VIA FEDERAL EXPRESS

Ms. Urmil Deora
Planned Real Estate Development
Bureau of Homeowner Protection
Department of Community Affairs
101 South Broad Street, 2nd Floor
Trenton, NJ 08608

RE: Developer: D.R. Horton, Inc. - New Jersey,
Development: The Village Grande at English Mill
Registration Date: January 13, 2005
Registration No.: 3823
Third Amendment to the Public Offering Statement for the
Registration of Phase II
FIRST REVISION PACKAGE

Dear Ms. Deora:

In accordance with the comments of the Division at the review conference on November 7, 2011, enclosed please find amendments and supplements to the above-referenced Third Amendment to the Public Offering Statement.

For your convenience, a copy of the revised documents on which the changes have been highlighted, as well as a clean copy of the revised documents, are enclosed.

The revisions made to the Application for Registration are summarized herein as follows:

Ms Urmil Deora
November 29, 2011
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APPLICATION FOR REGISTRATION

Table of Contents - Enclosed is a replacement Table of Contents which has been revised to state that there has been "No Change" to Exhibit 18.

A. **Exhibit 6 – Deed Vesting Title in Developer and Statement of Title** Enclosed is a copy of the Deed by which the Developer took title to the lands forming Phase II of the Development. Also enclosed is the current tax and assessment, and judgment searches.

B. **Exhibit 12 - Access and Special Conditions**: Enclosed is a replacement flysheet affirming no changes to the statements made in the Application, as originally submitted.

C. **Exhibit 19 – Compliance with Laws**: Enclosed are the flysheet for Exhibit 19 with no changes and the municipal subdivision approvals. They are the same approvals that were included in the Application for Registration as originally submitted. There have been no new or additional approvals.

1. Township of Egg Harbor Planning Board Amended Decision and Resolution of Preliminary Major Subdivision Approval dated November 18, 2002.
2. Township of Egg Harbor Final Subdivision Decision and Resolution dated April 16, 2001.

II. PUBLIC OFFERING STATEMENT

Enclosed is a revised, replacement copy of the text of the **Public Offering Statement**.

The following responds to your questions and comments,

A. The "Initiation Fee", identified at Line 69018 of the Budget, is authorized by Paragraph 2.07 of the By-Laws, which provides in pertinent part:

2.07. **Association Initiation Fee**. Each Owner, excluding Developer, shall pay to the Association upon acquisition of title to his Home a nonrefundable and nontransferable Association initiation fee of not more than \$350.00, 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

Ms Urmil Deora
November 29, 2011
Page 3

reserve, and/or (v) any other lawful purposes(s) permitted by the Governing Documents...

B. Exhibit 2 to Public Offering Statement – Projected Operating Budget and Letters of Budget and Insurance Adequacy: Enclosed please find a revised, replacement letter of insurance adequacy, the comprehensive crime component of which with the amount of the proposed operating budget, plus accumulated reserves.

C. Exhibit 5 to Public Offering Statement - Management Agreement: Enclosed please find a revised, replacement Management Agreement. The property manager is being changed from Wentworth Management to Company Property Management.

Thank you very much for the courtesies and cooperation you have extended in connection with this matter. If you should have any questions, please do not hesitate to contact me.

Very truly yours,



CHRISTINE F. LI

cc: D.R. Horton, Inc.-New Jersey,
Attn: Mitchell Newman, Esq. (w/enc.)

CFL:kmr
(enc.)

THIRD 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
700 East Gate Drive, Suite 110
Mt. Laurel, New Jersey 08054
for
Phase II (consisting of 124 Homes)
for a total of
397 Single Family Dwellings and Lots
Located at 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 THIRD AMENDMENT TO THE PUBLIC OFFERING STATEMENT 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 THIRD AMENDMENT TO THE PUBLIC OFFERING STATEMENT 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.)

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: January 13, 2005
EFFECTIVE DATE OF FIRST AMENDMENT: March 25, 2008
EFFECTIVE DATE OF SECOND AMENDMENT: April 6, 2009
EFFECTIVE DATE OF THIRD AMENDMENT: _____, 2011
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

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

EXHIBITS

2. Projected Operating Budget Based on Full Build-Out Consisting 397 Homes Consisting of Phase I (273 Homes) and Phase II (124 Homes), Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy
5. Management Agreement
10. First Amendment and Supplement to the Declaration of Covenants and Restrictions for The Village Grande at English Mill

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

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, hereby amends the Public Offering Statement for The Village Grande at English Mill dated January 13, 2005, as previously amended (the "Plan"), as set forth herein.

Previously, the Developer has offered for sale pursuant to the Plan the two hundred and seventy-three (273) single family dwellings and lots (the "Homes") located within Phase I of the Community. Under the terms of the Plan and the related governing documents, the Developer reserved the right to incorporate additional Homes into the Community and to offer the additional Homes for sale. By means of this amendment, the Developer is hereby exercising its right to offer one hundred twenty-four (124) additional Homes to be located in Phase II of the Community.

A. Section 1 of the text of the Plan captioned "INTRODUCTION" is amended at the Sixth Paragraph by the addition of the following after the third sentence therein:

"The First Amendment and Supplement to the Declaration for The Village Grande at English Mill (the "First Amendment to the Declaration") to expand the Community to include the additional Homes and other site improvements being developed in Phase II appears as Exhibit 10 of this Third Amendment to the Plan. Phase II of the Community is described by a legal (metes and bounds) description which appears as Exhibit A-2 of the First Amendment to the Declaration and is graphically depicted on Exhibit B-2 of the First Amendment to the Declaration."

B. Section 6 of the text of the Plan captioned "BUDGET" is amended by the insertion of the following after the third sentence of the First Paragraph therein:

"The budget based upon full occupancy and full build out of the Community (consisting of 397 Homes) appears as part of Exhibit 2 and sets forth the estimated annual Common Expense Assessments upon the incorporation of Phase II in to the Community."

C. Section 8 of the text of the Plan at Page 25 captioned "MANAGEMENT AND SERVICE CONTRACTS" is amended by the deletion of the first and second sentences therein and the insertion of the following:

"The Association has entered into a management agreement, commencing January 1, 2012, appointing Company (also referred to as Company, as the managing agent ("Managing Agent") for the Community. A copy of this proposed Management Agreement appears as Exhibit 5 of this Third Amendment to the Public Offering Statement..."

C. Section 13 of the text of the Plan at Page 32 captioned "EASEMENTS, ENCUMBRANCES AND RESTRICTIONS" is amended by the addition of the following at Section E as new instruments of record:

"7. Restrictions prohibiting the Property to be used for a sand and or gravel pit in Deed Book 2052, Page 62 (Affects Section 3A).

8. Restrictions prohibiting the Property to be used for a sand and or gravel pit in Deed Book 2206, Page 167 (Affects Sections 3B)

9. Electric utility easement as contained in Instrument #2005124322.

10. Such facts as disclosed on Plan of Lots Section 3A, "English Mill" prepared by Margaret Kulik of Consulting Engineers, dated April 11, 2003, filed October 15, 2004 as Map #2004102333.

11. Such facts as disclosed on Plan of Lots Section 3B, "English Mill" prepared by Margaret Kulik of Consulting Engineers, dated April 11, 2003, filed October 15, 2004 as Map #2004102342.

12. Declaration of Covenants and Restrictions for The Village Grande at English Mill as contained in Instrument #2006057025.

13. Easement and Right of Way granted to New Jersey American Water Company as contained in Instrument #2008088571. (Affects Block 3321, Lot 10, Open Space)"

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 and Loan Policy of Title Insurance that appear as Exhibit 7 to this Third Amendment to the Plan.

D. Section 15 of the text of the Plan captioned "REAL ESTATE TAXES AND SPECIAL ASSESSMENTS" is amended as follows:

1. By the deletion of the first paragraph and the insertion of the following:

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

	<u>TAX RATIO</u>	<u>TAX RATE PER \$100 OF ASSESSED VALUE</u>
2011	54.17	4.101
2010	51.06	3.980
2009	48.10	3.810

2. By the deletion in the second paragraph of the "Estimated Initial Sales Prices" and "Estimated Annual Taxes" and the insertion of the following:

<u>ESTIMATED INITIAL BASE SALES PRICE</u>	<u>ESTIMATED ANNUAL REAL ESTATE TAXES</u>
\$199,990	\$4,443
\$224,990	\$4,998
\$234,990	\$5,220
\$239,990	\$5,331
\$254,990	\$5,665

All references in this section to the utilization of the 2011 tax ratio and rate to determine the estimated annual real estate taxes shall mean the 2011 tax ratio and rate.

E. Exhibit 2 to the Plan captioned "Projected Operating Budget Based on Full Build-Out of 397 Homes Consisting of Phase I (273 Homes) and Phase II (124), Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy" is amended and supplemented by the Projected Operating Budget for Full Occupancy (397 Homes), Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy.

F. Exhibit 5 to the Plan captioned "Management Agreement" is replaced with Exhibit 5 to this Third Amendment to the Plan.

G. Exhibit 7 to the Plan captioned "Specimen Owner's Policy of Title Insurance" is replaced with Exhibit 7 captioned "Specimen Owner's and Loan Policy of Title Insurance" to this third Amendment to the Plan.

H. Exhibit 8 to the Plan captioned "Amendment and Supplement to the Declaration of Covenants and Restrictions for The Village Grande at English Mill" is supplemented by Exhibit 10 to this Third Amendment to the Plan captioned "First Amendment and Supplement to the Declaration of Covenants and Restrictions for The Village Grande at English Mill."

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
d/b/a SGS COMMUNITIES, DEVELOPER

EXHIBIT 2

**PROJECTED OPERATING BUDGET
BASED ON FULL BUILD-OUT OF 397 HOMES CONSISTING OF
PHASE I (273 HOMES) AND PHASE II (124 HOMES),
ESTIMATED COMMON EXPENSE ASSESSMENTS AND
LETTERS OF BUDGET AND INSURANCE ADEQUACY**

1240630.03

ACCOUNT DESCRIPTION		PROJECTED FULL BUILD OUT
		\$229/Unit/Month
OPERATING INCOME		
60200	ASSOCIATION FEES	1,088,788
64000	LATE FEE INCOME	1,050
64075	CCS COLLECTIONS	0
64100	LEGAL INCOME	0
64280	US POSTAL CHARGES	0
64300	NSF CHARGES	0
65050	KEY INCOME	0
65600	POOL INCOME	315
68550	SNOW ASSESSMENT	0
69018	INITIATION FEE	3,500
69050	DEVELOPER CONTRIBUTION	0
GROSS OPERATING INCOME		1,093,653
BAD DEBT		
70500	BAD DEBTS	32,664
TOTAL BAD DEBT		32,664
OPERATING EXPENSES		
GENERAL MAINTENANCE & REP/		
72050	MAINT SUPPLIES	0
72300	SUB-CONTRACTOR MAINT	0
72355	COMMON AREA MAINTENANCE	763
TOTAL GENERAL MAINTENAN		763
GROUNDS MAINTENANCE		
74100	LANDSCAPING MAINTENANCE	331,009
74108	LANDSCAPE MNT-UNITS	0
74109	LANDSCAPE MNT-COMMON	30,000
74200	LANDSCAPING IMPROVEMENT	39,300
74226	TREE MAINTENANCE	16,796
74264	IRRIGATION WATER	181,000
74267	IRRIGATION ELECTRIC	3,054
74272	IRRIGATION MAINTENANCE	53,000
74300	SNOW & ICE REMOVAL	58,023
TOTAL GROUNDS MAINTENAN		712,182
RECREATION		
75020	CLUBHOUSE INTERNET	0
75030	CLUBHOUSE CABLE TV	3,150
75033	CLUBHOUSE CABLE/DSL/TEL	0
75050	CLUBHOUSE CLEANING	15,750
75055	CH CLEANING SUPPLIES	1,785
75058	C/H WINDOW CLEANING	1,050
75070	CLUBHOUSE ELECTRIC	23,100
75090	CLUBHOUSE GAS	7,875
75105	CLUBHOUSE HVAC MAINTENA	1,575
75111	C/H MAINTENANCE	1,155
75130	CLUBHOUSE MAINTENANCE/S	0
75135	CLUBHOUSE SUPPLIES	1,575
75185	CLUBHOUSE SECURITY SYST	525
75195	CLUBHOUSE FIRE PROTECTI	420
75210	CLUBHOUSE TELEPHONE	1,050
75229	CLUBHOUSE EXTERMINATING	1,260
75230	CLUBHOUSE WATER	4,200
75232	CLUBHOUSE TRASH	945
75235	CLUBHOUSE SEWER	2,310
75237	CLUBHOUSE EQUIPMENT	630
75241	RECREATIONAL MAINTENANC	1,785
75244	RECREATION ACTIVITY	0
75355	POOL CONTRACT-OUTDOOR	0

75360	POOL OPERATIONS	57,750
75365	POOL CONTRACT-INDOOR	0
75400	POOL REPAIRS & MAINTENA	5,250
	TOTAL RECREATION	133,140
	PAYROLL & BENEFITS	
75635	ONSITE STAFF P/R	50,000
	TOTAL PAYROLL & BENEFIT	50,000
	TAXES & INSURANCE	
77100	FEDERAL TAXES	1,527
77500	PROPERTY/LIAB INSURANCE	13,215
77508	INSURANCE-UMBRELLA	2,296
77700	WORKMEN'S COMPENSATION	880
77795	INSURANCE-OTHER	907
77800	D & O INSURANCE	3,776
	TOTAL TAXES & INSURANCE	22,601
	ADMINISTRATIVE & OTHER EXPE	
78100	OFFICE SUPPLIES	1,832
78115	OFFICE EQUIPMENT	916
78150	POSTAGE & SHIPPING	0
78160	PRINTING & POSTAGE	2,748
78400	BANK FEES	458
78450	COUPON BOOKS	1,527
79300	SOCIAL COMMITTEE	0
79435	CAI MEMBERSHIP	229
79700	MISCELLANEOUS EXPENSE	1,374
	TOTAL ADMINISTRATIVE &	9,085
	PROFESSIONAL SERVICES	
81100	MANAGEMENT FEES	38,173
81200	LEGAL GENERAL	4,581
81300	LEGAL COLLECTIONS	4,581
81400	ACCOUNTING/AUDIT	2,231
	TOTAL PROFESSIONAL SERV	49,566
	TOTAL OPERATING EXPENSE	1,010,001
	NET OPERATING INCOME	83,652
	RESERVE EXPENSE	
88001	RESERVES ASPHALT	3,636
88001	RESERVES ASPHALT SEALCO	2,161
88001	RESERVES CLUBHOUSE RESE	5,015
88001	RESERVES DRIVEWAYS	24,566
88001	RESERVES POOL DECK AREA	2,640
88001	RESERVES POOL FENCING	440
88001	RESERVES POOL FILTERS	880
88001	RESERVES POOL FURNITURE	1,760
88001	RESERVES POOL RESERVE	5,279
88001	RESERVES SERVICE WALKS	12,160
88001	RESERVES SIDEWALK RESER	16,874
88001	RESERVES TENNIS CT FENC	704
88001	RESERVES TENNIS COURT	4,399
88001	RESERVES WALKING PATH	1,144
88001	RESERVES RETENTION	1,993
	TOTAL RESERVE EXPENSE	83,652
	NET INCOME / (LOSS)	(0)



Insurance

November 15, 2011

Village Grande at English Mill HOA
c/o Wentworth Group
1 Village Grande Road
Egg Harbor, NJ 08234

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

RE: Letter of Adequacy
Village Grande at English Mill HOA
397 units and Clubhouse

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:

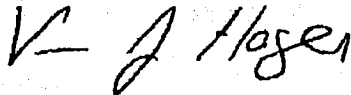
1. **PROPERTY** – Coverage would be written on a blanket basis, covering the clubhouse, fencing, light fixtures, pool, recreational facilities, and personal property owned by the Association. Coverage provided under the policy would on special causes of loss perils basis including Replacement Cost, and 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 \$1,250,000.
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 be 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



Vincent J. Hager, CIRMS
President

VILLAGE GRANDE AT ENGLISH MILL

397 UNITS INCLUDING CLUBHOUSE

INSURANCE PREMIUM ESTIMATE

VALUES AS OF NOVEMBER 2011

COVERAGE	AMOUNT	PREMIUM
1. Property Insurance Clubhouse and contents – 100% Insurable Value 397 Single family units	\$1,500,000	\$13,215
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	\$3,776
4. Umbrella Liability	\$15,000,000	\$2,296
5. Hired and Non-Owned Auto	\$1,000,000	Included
6. Comprehensive Crime	\$1,250,000	\$907
7. Workers Compensation	Statutory	\$880
8. Boiler and Machinery	\$1,500,000	Included
Total Estimated Annual Premiums:		\$21,074

The premium estimates above are based on rates in effect in November 2011. 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.

EXHIBIT 5
MANAGEMENT AGREEMENT

1240630.03

Management Agreement

Prepared for

The Village Grande at English Mill HOA

Company

This document is provided to new homeowners as part of the purchase disclosure documentation. It has been sanitized by removing references to the company, money, and company representatives.

Management Services Term & Pricing

The term of this contract shall be for a period of 24 months commencing on 1/1/2012 and ending 12/31/2013.

Contract price for basic services: As consideration for Company performance of the fixed management services described herein, the Association agrees to pay and Company agrees to accept the firm price of
annually for 2012

for 2013. This fee includes one community manager on-site weekly 32 hours per week. * This fee also includes community manager attendance at 12 Board meetings per year. The pricing quoted is for portfolio management and is fixed up to 275 homes. Included in the calculation of compensation levels is Company maximum allocation for professional staff time required to provide the routine professional administrative and common area services outlined in this Agreement. The Community Manager and other staff members responsible for the Association have similar duties for other clients. * scheduled to be agreed upon prior to start date

The Association recognizes that there are additional administrative costs, which are the Association's responsibility. The Association in accordance with the Annual Pricing Sheet attached will reimburse these routine expenses to Company In addition to the fees outlined in the annual pricing sheet, a transfer fee of (Paid by Buyer/Seller at Settlement) will be charged for each resale.

The Association may request and Company may provide additional or expanded services beyond the services outlined in the Agreement and not included in the compensation limits of the contract. Examples of special services are outlined below. The fee for these services shall be at an hourly rate of Special services will not be performed until approved by the Board.

1. Participation in legal action, which is outside the normal daily operations of the Association, including attendance at court hearings, depositions, meetings and correspondence.
2. Insurance claim administration on cases involving property damage and personal injury items covered under the Association's policy. Administrative charges by Company under this provision are charges incurred after the initial claim filing and shall accordingly be submitted with the claim.
3. Negotiations and claims of a protracted nature arising from warranty claims for work by the developer and/or performed by any contractor prior to the date of this Agreement, including but not limited to FRT issues and DCA.
4. Consulting and administering requirements of the FHA, Fannie Mae and other approvals needed for financing. Assisting the developer in obtaining and reviewing the Master Deed, by-laws, rules and regulations, budget development and other

items needed in the formation of the Association.

5. Any capital projects such as roofing, siding, painting, seal coating, etc., which would require the complete attention of the manager or management staff.
6. Attendance at any meetings other than those specified and calculated in the compensation levels portion of this contract (i.e. committee meetings not specified, additional board meetings or work sessions).

Company

Association Officer

Maintenance Services Term & Pricing *

The term of this contract shall be for a period of 24 months commencing on 1/1/2012 and ending 12/31/2013.

Hourly Labor Rates:

per man hour plus applicable sales tax

—Emergency (After Hour) Labor Rate plus applicable sales tax

Rates do not include sales tax. Company will bill Association weekly for all maintenance services performed.

Maintenance work is billed on time & material basis unless otherwise specified under separate contract. There is a one-hour minimum billable charge on all work orders processed. Please see exhibit A for maintenance duties.

Emergency labor rates effective Monday through Thursday 3:01pm through 6:59am and Friday 3:01 PM through Monday 6:59am. The emergency rate is applicable anytime a page is dispatched regardless if maintenance must report to property.

This Agreement may be terminated, without prejudice to any other right or remedy, by action of either of the parties with at least sixty days (60) prior written notice. This Agreement shall be construed under the law of the State of New Jersey.

Company

Association Officer

** No Work To Proceed Unless
Specifically Authorized by
Board of Trustees.*

EXHIBIT "A"

MAINTENANCE DUTIES

1. Process maintenance requests within the boundaries of association related maintenance and scope of maintenance skills. Scope of service is solely at the discretion of Company. It being the express purpose to provide light maintenance and expedite routine maintenance tasks. Company is not a licensed electrician, plumber or general contractor.
2. Perform routine building maintenance tasks as necessary (i.e. maintain exterior lighting fixtures, clean gutters, clean dryer vents from outside units).
3. Police common areas, dumpsters & recyclables for debris. Empty common area trash receptacles.
4. Perform routine maintenance for amenities.

2012 Administrative Fees Price List

The Association recognizes that there are additional administrative costs, which are the Association's responsibility. The Association will reimburse these routine expenses to Company as follows:

Copy Charge - black and white/ Color

Postage - direct expense

Envelopes/Stationary-direct expense

Coupon books - book

Computerized Checks - no charge

Notary- per document

1099 Preparation- per vendor

Fax- per fax

Delinquency Letter- per letter monthly

Aged Delinquent Account Charge- per 90 day aged unit charged October

Computer Labels - per set

Mileage- per mile

Paper File storage. per bankers box charged March

Exhibit "A": Manager's Duties

Company shall provide all necessary administrative functions and professional assistance as required by the Association in accordance with their guidelines for management services.

A. ASSESSMENT COLLECTION:

1. Deposit all funds in Financial Institutions approved by the Association Board of Trustees in the Association's name only.
2. Receive through Company lock box system all assessment payments and other charges due the Association and deposit same in Association bank accounts described below. No cash will be accepted on behalf of the Association.
3. Set up and maintain individual account status.
4. Process delinquent accounts in accordance with policies established and adopted by the Association Board of Trustees. Provide written report to the Association Board of Trustees in each management report. Initiate legal action consistent with Board Policies and Declaration of Covenants and Restrictions. Assist attorney by providing account payment information necessary for court action.

B. FINANCIAL MANAGEMENT:

1. Reconcile all bank accounts and provide treasurer with monthly statements as requested.
2. Set up and maintain vendor files. Process payment to vendors as approved by the Association Board of Trustees in accordance with adopted budgetary expenditures. Provide voucher consisting of check number, date of issue and amount. Provide access to vendor files as required by Board of Trustees.
3. Disburse Association funds in accordance with all contractual obligations and all budgeted services, utilities, insurance premiums, etc. as approved by the Board of Trustees; obtain necessary signatures on all checks prior to issuance.
4. Maintain an account system from which an annual financial report can be prepared detailing operating expenses and reserve funds.
5. Prepare and submit monthly financial reports as follows:
 - a. Balance Sheet, General Ledger Activity & Trial Summary
 - b. Income Statements (Actual vs. Budget) for Month to Date & Year to Date
 - c. Statement of Disbursements & Bank Reconciliations
 - d. Status of Delinquencies, Accounts Receivable Report by Customer

6. Provide information for the annual audits and tax filings.

7. Prepare a preliminary operating budget ninety (90) days prior to start of fiscal year. Final budget to be submitted to the Board of Trustees for approval.

8. Monitor all billing and collection activities.

9. For the purpose of accounting continuity, Company shall input such financial information as is available to its respective operations prior to Company tenure and otherwise use reasonable efforts to establish accurate opening period balances. Company does not warranty the accuracy of any such financial information, which was not developed by Company.

10. Maintain reserve funds in an interest bearing account based upon the major repair and replacement fund report prepared by an engineering firm. Company will assist Board with timely recommendations for maximum rate of return and reserve schedule updating.

11. Coordinate the recommendations of the finance committee and the Board in investing the Reserve Funds.

C. ADMINISTRATION:

1. Maintain availability five (5) days a week for general assistance and information regarding Association services.

2. Process service requests with regard to common properties and facilities.

3. Inform Association members of existing rules and regulations and other notices promulgated by the Association as necessary.

4. Maintain accountability to the Association Board of Trustees as a whole.

5. Prepare and distribute monthly meeting notices for the following:

a. Board of Trustees

b. Association Committees

c. Association Annual General Membership Meeting

6. Maintain a complete set of files and records including the following where applicable/available:

Current Owner Listing

Association Documents

Amendments to the Declaration

Rules and Regulations

Policies and Resolutions

Current Contracts

Insurance Policies and Quotes

Financial Statements

Specifications and Guidelines for Architectural Requests

Minute Book

Corporate Seal

Agendas

Property/Equipment Inventory

List of Contractors

Individual Owner Files

7. Prepare and submit management reports to the Board of Trustees.
8. Report any accidents, fires or liability claims to the Board of Trustees related to management, maintenance, and operation of the Association and its properties.
9. Supervise and assist in the annual election meeting of the Association. Prepare all election material, proxies, ballots and notices.
10. Attend regular meetings of the Association as specified in "Pricing Sheet." Attendance at meetings in excess of the contracted limits and meeting attendance after two hours at any one meeting shall be billed at the rate of _____ per hour. It is also understood that Company is not expected to attend meetings on weekends, holidays or after 10:00 p.m.
11. Distribute to the Board in advance of the meeting, the agenda as established by the President, along with any materials which will support the facilitation of the meeting.
12. Cooperate with and assist in the selection of legal, engineering, and other professionals.
13. Review the Association's protective covenants, rules and regulations pertaining to common area.
14. Provide a list of any violations and make recommendations as to corrective actions. Violation inspections conducted monthly April through October.
15. Receive, in writing, all complaints regarding violation of the covenants of the Association.
16. Inform in writing and as outlined in the established policies of the Association, any resident who is in violation of the protective covenants, rules or regulations.
17. Recommend action in the administration and enforcement of fines, legal action, etc. with regard to infractions of the rules and in accordance with the Association documents.
18. Monitor the performance of contractors who provide services to the Association and report to the Board any occurrences that are in violation of contracted services.
19. Recommend and assist in the selection of contractor and finalize contracts with all contractors selected by the Board.
20. All contracts for common area services shall be executed by an Association officer unless there is

any emergency or unless Company is specifically directed to execute contracts on behalf of the Association.

21. Conduct regular inspections of the property.

22. Administer and maintain a twenty-four-- (24) hour, seven (7) day per week emergency response program to respond to client service related emergencies as defined by the Association and Company in advance. This system shall be through an answering service firm selected by Company.

23. Work with Association Committees to support Committee goals.

Agreement

This Agreement, made this 21 day of Nov 2011 by and between
Company (hereinafter referred to as Company), and The
Village Grande at English Mill HOA (hereinafter referred to as the Association) situated in
Egg Harbor Township, Atlantic County.

WITNESSETH

Whereas, the Association exists for the purpose of maintaining and operating certain properties
and generally promoting the health, safety, welfare and betterment of its members; and

Whereas, the Association has determined that it requires the assistance of an independent
contractor to perform management services; and

Whereas, the Association wishes to engage Company and Company wishes to accept
such engagements.

Now, therefore, in consideration of the mutual promises set forth herein, the Association and
Company do hereby covenant and agree as follows: Company shall be engaged to
perform management services as follows:

ARTICLE 1
DUTIES AND SCOPE

1.1 Company shall be available at reasonable times and for whatever periods are necessary
to properly fulfill the management duties, including attendance at Board of Trustees meetings and
at the Annual Meeting of Property Owners with participation at said meetings not to exceed two
(2) hours; perform regular inspections of the property, recommend changes, supervise
emergency repairs, hear and dispose of complaints. Company corporate & site management
offices will be closed on the following holidays: New Year's Day, Memorial Day, and July 4th,
Labor Day, Thanksgiving Day, and Day after Thanksgiving & Christmas Day. In the event that a
Holiday falls on a week- end, the management office will observe the Holiday on Friday or
Monday and offices will be closed.

1.2 The Association Board of Trustees authorizes manager to spend funds in accordance with
budgetary projections. Company shall be responsible for the disbursement of the
Association's funds in payment of the following expenses: the actual cost of all utilities, services,
equipment, materials, supplies or any other requirement for the proper operation and
maintenance of the Association's properties.

1.3 Company shall arrange for the general maintenance of the property, including but not
necessarily limited to, landscaping, lighting, and repair work. Performance standards shall be
subject to the Association Board of Trustees whose decisions shall be final and binding.

1.4 Company shall, unless otherwise directed by the Association Board of Trustees, solicit
competitive bids for any item of repair over , i.e., landscaping and
any other services required to adequately maintain the common areas. Bid selection shall be subject

11

to approval by the Association Board of Trustees prior to each contract award. All contractors shall be required to submit insurance certificates indicating proper coverage prior to commencing any work on Association property.

1.5 Any one item of repair that exceeds _____ shall have approval authorized by vote of majority of the Association Board of Trustees, except in emergency situations, i.e., snow removal, pool equipment, failure or like.

1.6 Company shall supervise accounts payable and receivable bookkeeping records and procedures. Company shall maintain true and correct records of receipt, expenditures, bids, service contracts, general correspondence and a current listing of all property owners.

1.7 Company shall review the insurance coverage of the common areas, maintain records, and periodically consult with the Association approved insurance consultants as to the current adequacy of coverages and limits. Company shall advise Association of the consultant's recommendation. Association shall direct Company regarding actions to be taken on consultant's recommendations. The consulting cost, if any, for this review and consultation shall be paid by the Association.

1.8 Company shall maintain conduct a video inventory of all Association personal property once during the entire term of the contract and provided to the Board or its designees.

1.9 Company shall offer guidance and suggestions to, and shall act in an advisory capacity to the Association Board of Trustees.

1.10 Company shall not be responsible for scheduling Association Board Meetings. Company, Inc. agrees upon proper advice of meeting dates to provide written notice of such meetings to all Association Board Members.

1.11 The detailed description of items of work as herein before stated are further set out in Company, Inc. Duties consisting of four (4) pages, identified as Contract Exhibit "A" attached hereto and made a part hereof.

ARTICLE 2

PERFORMANCE & PERSONNEL

2.1 Company shall hire in its own name all personnel necessary for the efficient discharge of the duties of Company as enumerated hereinafter, consistent with all applicable and relevant policies, directives, rules, regulations and by-laws, covenants, restrictions, and procedures of the Association, and consistent with such budgetary limitations as may be imposed by Association. All employees shall be under the complete control of Company. Company will provide the staff to perform the services outlined in this Agreement. All personnel, training, insurance, and payroll costs of the specified staff shall be at the expense of Company and are included as part of the compensation section of this Agreement. Company retains sole responsibility for the selection and retention of its staff. *

2.2 Company shall execute and file all tax returns and other instruments and do and perform all acts required as an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, Subtitle C of the Internal Revenue Code of 1954.

12 * The Company Regional Manager shall conduct an in person
and written review of the Manager at least once per year as well
as meet with the Board at least twice per year to review the
11/10/11 «Code» Manager's performance. Also, Regional Manager will meet with
manager at least once a month to review the community.

2.3 Association, through its duly authorized representatives, agrees to faithfully assist in a reasonable manner and within a reasonable time to enable Company in its performance.

2.4 Company agrees to maintain business-like relations with members of the Association whose request for service with regard to common properties and facilities shall be received, considered and recorded in a systematic fashion to reflect the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation by Company be reported to the Association Board of Trustees with appropriate recommendations. Company shall take action as directed by the Board.

2.5 Company agrees to assist the Association Board of Trustees in informing all Association members with respect to such rules and regulations and notices as may be promulgated by the Association from time to time. Cost of preparation, distribution, etc., of such rules, regulations, and notices shall be borne by the Association.

2.6 Company staff are expected to participate in various education classes and monthly management meetings. Association agrees to allow required staff to participate in training and meetings as required by Company and Company. Company and Association agree that on-site managers will be permitted to attend classes and training not to exceed 40 hours per year.

ARTICLE 3

OFFICE, SOFTWARE AND FACILITIES

3.1 Any software, files, and scanned documents installed and generated by Company will remain the sole possession of Company at the termination of this Agreement.

3.2 The Association agrees to provide and maintain at its expense an office in the Association and furnish to Company the necessary office space, utilities, phones and sundry supplies required for Company, Inc.'s performance of its duties to the Association, all at no cost to Company, Inc.

ARTICLE 4

INDEPENDENT CONTRACTOR

4.1 Company shall be regarded as an independent contractor.

ARTICLE 5

BOND AND INSURANCE

5.1 Company shall, at its own expense, procure and maintain insurance coverage for workmen compensation insurance as required by law; general liability insurance within minimum limits as may be required by the Association. Insurance coverage and limit requirements shall be reasonable and proportionate to the liability exposure directly and solely related to Company services herein.

Company shall, upon request, provide to the Association the certificates showing compliance.

Said certificates shall provide that the required coverages and limits shall not be canceled or changed without ten (10) day prior written notice to the Association.

5.2 Except for willful acts or acts amounting to gross negligence, the Association agrees to indemnify and hold Company harmless from all damages and expenses (including, without limitation, counsel fees) sustained by Company when Company is carrying out the provisions of this

Agreement or acting under the expressed or implied direction of the Association Board of Trustees, and to indemnify and hold Company harmless from all damages and expenses (including without limitation, counsel fees) sustained by Company as a result of the actions of the Association or the Association's contractors other than Company. The Association further agrees to hold Company, Inc. harmless for any event or claims arising out of activities and conditions occurring prior to the effective date of the Agreement, whether directly relating to financial activities or arising out of any other areas of activity taking place prior to the date of this Agreement. The provisions of this Article 5, Subparagraph 5.2, shall survive the termination of this Agreement.

ARTICLE 6

Company AS AGENT OF ASSOCIATION

6.1. Everything done by Company under the provisions of Article 1 shall be done as Agent for the Association and any and all obligations or expenses incurred there under shall be for the account, on behalf, and at the expense of the Association. Any payments to be made by Company hereunder shall be made out of the accounts of the Association. Company shall not be obligated to make any advance to the account of the Association or to pay any sum on their behalf, nor shall Company be obligated to incur any liability or obligation under this Agreement without assurance that the necessary funds for the discharge thereof will be provided.

ARTICLE 7- WEBSITE CONTRACT

7.1 See attached Community Website Contract Addendum

AMENDMENT

8.1 This Agreement, including any exhibits hereto, represents the entire and integrated Agreement between Company and the Association and supersedes all prior negotiations, representations, or agreements, either written or oral. No alteration, amendment, variance or modification thereof shall be valid or enforceable, except by supplemental agreement in writing, executed and approved in same manner as this Agreement.

ARTICLE 9

TERM

9.1 The term of this contract shall be for a period of 24 months commencing on 1/1/2012 and ending 12/31/2013.

9.2 This Agreement may be terminated, without prejudice to any other right or remedy, by action of either of the parties with at least ~~sixty (60)~~ ⁴⁵ day's prior written notice.

9.3. Upon notice of termination, Company shall prepare for an orderly transition of responsibilities and records in accordance with the instructions of the Association. Company shall make available to the Association for inspection all books and records of the Association in Company possession, which material shall be available for turnover to the Association on the Termination Date. All photocopying of any records to be retained by Company will be completed at no expense to Company.

9.4 As of the date of termination, all sums due Company and all contractors, vendors or other service gents procured by Company on behalf of the Association shall be paid in full. In the event that there are insufficient funds to fully discharge all such liabilities, the Termination Date may, at the option of

Company be extended until such funds are available. In the event that the Association disputes any such bills or charges, sufficient funds of the Association shall be deposited in an Escrow Account established in the joint control of the Association and Company pending resolution of the dispute. The Association agrees to bear full responsibility to the Provider of such goods or services and shall bear full responsibility for the cost of litigation resulting there from, if any.

ARTICLE 10

SEVERABILITY

10.1 Company and the Association hereby agree that this Agreement shall be considered severable, and the invalidity or unenforceability of any part hereof shall not affect the validity or enforceability of the remaining portions or provisions of this Agreement.

ARTICLE 11

PROPRIETARY INFORMATION

This document, Exhibit 5 Management Agreement, has been sanitized. All information reasonably considered proprietary has been removed including company, money, and company representative references.

ARTICLE 12

RELATIONSHIP OF AGENT TO OTHER ENTITIES

12.1 If the Agent is connected with an entity which performs or delivers goods or services to the Association, the Agent agrees to disclose such relationship to the Board prior to the entering into of a contract with such entity or prior to the delivery of goods or services. Any discount or other economic benefit received by the Agent as a result of any entity doing business with the Association shall be disclosed by the Agent and shall be passed on to the Association. If the Agent is connected with or related to a member of the Board of the Association, the Agent agrees to disclose such connection or relationship. Notwithstanding the foregoing to the contrary, the Association acknowledges that the Agent or its affiliates may earn a profit or receive fees incident to a) the operation of group purchasing programs intended to provide price and quality benefits to the Association and/or its residents, or b) the dissemination of marketing information about goods and services to the Agent's managed associations (including the Association) and their residents. Purchase of any product and/or service through any such purchase program or marketing plan is voluntary and is not in any manner required by the provisions of this Agreement.

ARTICLE 13

COMMUNITY WEBSITE

13.1 Within a reasonable period after the execution of this Agreement, the Agent will cause an interactive website (the "Website") to be made available to the Association that will contain

information specifically related to the Association. Access to most areas of the Website will be password protected, for the free and exclusive use of Association residents who register for this service through the Website. The Website will be operated and maintained by the Agent or its service providers and available by hyperlink from the Agent's website. It will provide various communication tools, which may include directories, calendars, surveys and forums and other products and services. All data submitted to the Website by Association residents and all content contributed by the Association shall be the property of the Association and are hereby licensed to the Agent for use in operating and maintaining the Website and related services. The Website and all computer programs and code used in the operation of the Website, as well as all intellectual property rights therein, and all revenue generated through the Website, shall be the sole and exclusive property of the Agent. In the event of the termination of this Agreement, the Agent will cause the Website to be shut down and will transfer all related resident data and Association content, in electronic format, to the party specified by the Association's Board of Directors. In the absence of instructions, the data will be transferred to the Association president. Upon completion of the transfer, the Agent will delete from its databases all personally-identifiable data about Association residents collected through the Website. The Agent's charge to the Association for the Website is a one-time set up charge of \$_____ and the monthly fee of \$_____ included in management fee_____

13.2 The Website may contain links to other websites. Use of these websites is at the user's own risk. The Agent is not responsible for and does not endorse the content, products or services of any third-party websites and does not make any representations regarding their quality, content or accuracy. The Agent does not assume any liability for the materials, information and opinions provided on, or available through, the Website (the "Site Content"). Reliance on the Site Content is solely at the user's own risk. The Agent disclaims any liability for injury or damages resulting from the use of any Site Content. The Website, the Site Content and the products and services provided on or available through the Website are provided on an "AS IS" and "AS AVAILABLE" basis. The Agent makes no warranty or representation with respect to the quality, accuracy or availability of the Website and disclaims all warranties of any kind, express or implied, including any warranties of merchantability, fitness for a particular purpose or non-infringement. In no event will the Agent or its licensors or contractors be liable for any damages of any kind, under any legal theory, arising out of or in connection with the use of, or anyone's inability to use, the Website, the Site Content, any services provided on or through the Website or any linked site, including any direct, indirect, incidental, special, consequential or punitive damages.

ARTICLE 14

CONSTRUCTION

14.1 This Agreement shall be construed under the law of the State of New Jersey.

IN WITNESS WHEREFORE, THE PARTIES HAVE HEREUNTO SET THEIR HANDS THIS
DAY OF _____ AT _____
_____ STATE OF
NEW JERSEY.

ASSOCIATION BOARD OF TRUSTEES:

11/21/11

11/21/2011
Date

Company

**AMENDMENT TO THE
APPLICATION FOR REGISTRATION
FOR
PHASE II OF
THE VILLAGE GRANDE AT ENGLISH MILL**

TABLE OF CONTENTS

	<u>EXHIBIT</u>	
Power of Attorney	1	CHANGE
Statement Re: Other Jurisdictions	2	NO CHANGE
Biographical Data Re: Principals and Officers of Developer	3	NO CHANGE
Certificate of Incorporation of Developer	4	NO CHANGE
Legal Description and Map of Property	5	CHANGE
Deed Vesting Title in Developer and Statement of Title	6	CHANGE
Statement Re: Litigation, Orders, Judgments or Decrees Affecting Offering	7	NO CHANGE
Affidavit of Vacancy	8	CHANGE
Statement Re: Service of Proposed Public Offering Statement	9	NO CHANGE
Evidence of Registration of Developer Under the New Home Warranty and Builders' Registration Act	10	CHANGE
Statement Re: Anti-Discrimination	11	NO CHANGE
Statement Re: Access and Special Conditions	12	NO CHANGE
Sample Contract for Sale of Real Estate and Deed	13	NO CHANGE
Statement Re: Blanket Liens and Encumbrances Affecting the Property	14	CHANGE
Proposed Public Offering Statement	15	NO CHANGE
Financial Statement of Developer	16	NO CHANGE
Statement Re: Bankruptcy Adjudication	17	NO CHANGE
Easements and Restrictions	18	NO CHANGE
Statement Re: Status of Compliance with Laws, Ordinances and Regulations of Governmental Agencies	19	NO CHANGE
Affidavit Relating to Land Sales	20	CHANGE
Affidavit Re: Accuracy of Contents of Application for Registration	21	CHANGE
Specimen Fidelity Coverage	22	CHANGE
Listing of Units and Current Monthly Rents	23	NO CHANGE

Recorded Deed
Into Horton

DEED

Prepared by: Robert Sautz, Esquire

This Deed is made on April 18, 2006,

BETWEEN
CANETIC LAND, L.L.C., a New Jersey Limited Liability Company

Whose post office address is 30 Washington Avenue, Suite B-4, Haddonfield, New Jersey 08033 referred to as the
Grantor,

AND
D.B. HORTON, INC., NEW JERSEY, a Delaware Corporation referred to as the
Grantee.

Having an address of 20 Gibson Place, Freehold, New Jersey 07728 referred to as the Grantee.

The word "Grantee" shall mean all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of \$3,100,000.00.

The Grantor acknowledges receipt of the money.

Map Reference. (S.J.S.A. 44:152-1) Township of Egg Harbor, Block 3318, Lots 1 through 32; Block 3319, Lots 1 through 11; Block 3321, Lots 1 through 22; Block 3324, Lots 1 through 36; and Block 3328, Lots 1 through 28 as shown on the Plan of Lots Sections 3A and 3B.

Property. The property consists of land and all improvements thereon in the TOWNSHIP OF EGG HARBOR, County of ATLANTIC and State of New Jersey, as shown on the plan of Subdivision.

TRACTS 1 and 2

BEING Block 3318, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32; Block 3328, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28, as shown on the Plan of Lots Section 3A, "English Map" prepared by Margaret Rusk of Consulting Engineers, dated April 11, 2003, last revised August 13, 2004 and recorded in the Clerk's Office of Atlantic County on October 15, 2004 as map no 2004102853.

BEING Block 3318, Lot 4, and Block 3320, part of Lot 1 (Open Space to be dedicated to the Homeowner's Association).

Together with all right title and interest in any and all strips as set forth on the First Plan of Lots "English Map" Section 3A.

TRACTS 3 and 4

BEING Block 3318, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11; Block 3325, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35; Block 3321, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23, as shown on Plan of Lots Section 3B, "English Map" prepared by Margaret Rusk of Consulting Engineers, dated April 11, 2003, last revised August 13, 2004 and recorded in the Clerk's Office of Atlantic County on October 15, 2004 as map no 2004102852.

BEING Block 3318, Lot 4; Block 3321, Lot 16; and Block 3325, Lot 24 (Open Space to be dedicated to the Homeowner's Association).

Together with all right title and interest in any and all strips as set forth on the First Plan of Lots "English Map" Section 3B.

BEING the same land and Premises conveyed to Canetic Land, L.L.C.

by Deed from Frank J. Amante, deceased, and Marion Amante, surviving spouse, dated October 28, 2003, recorded November 17, 2003 as Instrument #313182 (Tract 1)

by Deed from Estate of Charles P. Turfitt, deceased, by Thomas C. Hayes, Esq., Administrator E.T.A., dated October 8, 2004, recorded October 19, 2004 as Instrument #2004103113 (Tract 2)

by Deed from Egg Harbor Township Board of Education, dated October 8, 2004, recorded December 8, 2004 as Instrument #2004118500 (Tract 3)

by Deed from Wilma Jean Spinning, Executrix of the Estate of Elsie Dickerson, w/w Elsie Minor's Docket, dated April 21, 2003, recorded May 12, 2003 as Instrument #3051601 (Tract 4)

Book 12341

CFN#2006050730

Page 1 of 7

Book

Page

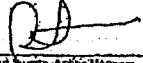
Date Recorded 5/18/06
and Instrument #
2006050730

Provisions by Statute. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S. 46:4-5). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Signatures. The Grantor signs this Deed at the end of the top of the first page.

Attested by:

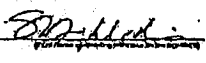
Canonic Land, E.L.C., a New Jersey
Limited Liability Company

By:  (Seal)
Robert Swartz, Acting Manager

STATE OF NEW JERSEY, COUNTY OF CHERRY

SS:

I CERTIFY that on April 18, 2008, Robert Swartz personally came before me acknowledged under oath, to my satisfaction, that he is the Acting Manager of Canonic Land, E.L.C., and in such capacity he personally signed this Deed; he signed sealed and delivered this Deed as the company's act and deed; and he made this Deed for \$3,100,000.00 as the full and actual consideration paid or to be paid for the transfer of this. (Such consideration is defined in N.J.S.A. 46:15-2.1)


Sherry K. D'Amico
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 11/14/2008

Served and returned to:
GRANDSTREET AGENCY, LLC
185 W. WHITE HORSE PIKE, Suite 200
Totowa NJ 07068
Phone 954-767-8571 Fax 954-767-8156

672138



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(C.55, P.L. 2004)

GTIREP-3
(7-04)

(Please Print or Type)

SELLER(S) INFORMATION (If Multiple Sellers, Each Seller Must Complete a Certification)

Name(s)
Canonic Land, LLC
Current Resident Address:
Street: 30 Washington Avenue, Ste B4
City, Town, Post Office: Haddonfield NJ 08033
Home Phone: () Business Phone: () 856) 957-6085

PROPERTY INFORMATION (Brief Property Description)

Block(s) Lott(s) Quantity
See Attached
Street Address:
City, Town, Post Office: Egg Harbor Township NJ 08033
Seller's Percentage of Ownership: 100% Consideration: \$,100,000.00 Closing Date: 4/9/2008

SELLER ASSURANCES (Check the Appropriate Box)

1. ☒ I am a resident taxpayer of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. ☐ The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. ☐ I am a mortgagee conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. ☒ Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. ☐ Seller is not individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.
6. ☐ The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

Date: 4/10/08 Signature: [Signature]
(Seller) Please Print Name & Power of Attorney or Attorney in Fact
Date: Signature:
(Seller) Please Print Name & Power of Attorney or Attorney in Fact

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION FOR USE BY BUYER
(Chapter 48, P.L. 1968, as amended through Chapter 18, P.L. 2005)

To be recorded with deed pursuant to Chapter 48, P.L. 1968, as amended by Chapter 200, P.L. 1991, P.L.R.A. 48:35-3 et seq.,
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY OF Camden

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3 and #4 on reverse side)

Deponent, Barbara Arnold, being duly sworn according to law upon his/her oath,

deposes and says that he/she is the Officer of the Title Company in a deed dated 6/22/2008 transferring

real property identified as Block Number are attached, Lot Number _____ located at

Egg Harbor Township, Atlantic County and intended therein.

(2) CONSIDERATION \$ 3,100,000.00 (See Instructions #1 and #5 on reverse side)

Entire consideration is in excess of \$1,000,000.

PROPERTY CLASSIFICATION CHECKED BELOW SHOULD BE TAKEN FROM THE OFFICIAL TAX LIST (WHICH IS A PUBLIC RECORD) OF THE MUNICIPALITY WHERE THE PROPERTY IS LOCATED IN THE YEAR THAT THE TRANSFER IS MADE.

(A) When Grantee pays:

☐ Class 2 - Residential (4 Families or less) ☐ Class 4C - Residential Cooperative/Dup

☐ Class 3A - Farm property (Regular) and any other real property transferred to a person/grantee in conjunction with transfer of Class 3A property.

(B) When Grantee does not have to pay, check below:

☒ Property class, Check applicable class(es): 1 4A 4B 4C 13

☐ Exempt Organization Pursuant to Federal Internal Revenue Code of 1986

Property classes: 1-Vacant Land; 4A-Commercial; 4B-Industrial; 4C-Apartment (other than residential cooperative type); 13-Public Property

(C) FULL EXEMPTION FROM FEE (See instruction #6 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 48, P.L. 1968, as amended through Chapter 68, P.L. 2004, for the following reason(s). More references to exemption symbol is insufficient. Explain in detail.

Property Class 1-Vacant Land

Deponent makes this affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 48, P.L. 1968, as amended through Chapter 18, P.L. 2005.

Subscribed and sworn to before me
this 17th day of April, 2008.

Deanna Gaudin
DEANNA GAUDIN
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 11, 2009

Barbara Arnold
Signature of Deponent
185 White Horse Pike, Berlin, NJ
Deponent's Address

RJA, Realtor, Egg Harbor Inc.
Officer (Name)

706 E. 3rd St. #110 PM, Egg Harbor
Officer's Address, in Title of Deed

Atlantic Title Agency, Inc.
Master/Company of Registered Officer

FOR OFFICIAL USE ONLY
Notary Number _____ County _____
Date Ordered _____ Date Recorded _____

The Director of the Division of Taxation is the Department of the Treasury has prescribed this form, as required by law.
This form may not be altered or amended without the approval of the Director.
For further information on the Realty Transfer Fee or to file a copy of this Affidavit with the Division of Taxation, visit the
www.state.nj.us/revenue/taxation/pdfrtfeaffidavit.htm.

DEED

This Deed is made on April 18, 2006.

Prepared by: [Signature] Esquire

Robert Swartz, Esquire

BETWEEN
CANETIC LAND, L.L.C., a New Jersey Limited Liability Company

Whose post office address is 30 Washington Avenue, Suite B-4, Haddonfield, New Jersey 08033 referred to as the
Grantor,

AND
D.R. HORTON, INC. - NEW JERSEY, a Delaware Corporation
ATLANTIC COUNTY, NJ: MICHAEL J. CARPINE, COUNTY CLERK
VOL. 12241 REC'D 05/22/2006 12:53:59 PM RCPT: 424579
REC FEE 100.00 RTF 34,985.00 CONSID 3,100,000.00
FISCAL NOTATION 0.00
16019 2006050730 REC BY Denise

Having an address of 20 Gibson Place, Freehold, New Jersey 07728

referred to as the Grantee.

The words "Grantor" shall mean all Grantors listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of \$3,100,000.00

The Grantor acknowledges receipt of the money.

See Map Reference. (N.J.S.A. 46:16-21) Township of Egg Harbor, Block 3318, Lots 1 through 32; Block 3319, Lots 1 through 11; Block 3321, Lots 1 through 22; Block 3325, Lots 1 through 36; and Block 3326, Lots 1 through 28 as shown on the Plan of Lots Sections 3A and 3B

Property. The property consists of land and all improvements thereon in the TOWNSHIP OF EGG HARBOR, County of ATLANTIC and State of New Jersey as shown on the plan of Subdivision.

TRACTS 1 and 2

BEING Block 3318, Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32; Block 3328, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28, as shown on the Plan of Lots Section 3A, "English Mill" prepared by Margaret Kullik of Consulting Engineers, dated April 11, 2003, last revised August 13, 2004 and recorded in the Clerk's Office of Atlantic County on October 15, 2004 as map no 2004102333.

BEING Block 3318, Lot 4, and Block 3328, part of Lot 1 (Open Space to be dedicated to the Homeowner's Association).

Together with all right title and interest in any and all streets as set forth on the Final Plan of Lots "English Mill," Section 3A.

TRACTS 3 and 4

BEING Block 3319, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11; Block 3325, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35; Block 3321, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23, as shown on Plan of Lots Section 3B, "English Mill" prepared by Margaret Kullik of Consulting Engineers, dated April 11, 2003, last revised August 13, 2004 and recorded in the Clerk's Office of Atlantic County on October 15, 2004 as map no 2004102342.

BEING Block 3319, Lot 4; Block 3321, Lot 10; and Block 3325, Lot 24 (Open Space to be dedicated to the Homeowner's Association).

Together with all right title and interest in any and all streets as set forth on the Final Plan of Lots "English Mill," Section 3B.

BEING the same land and Premises conveyed to Canetic Land, L.L.C.

by Deed from Frank J. Amante, deceased, and Marion Amante, surviving spouse, dated October 28, 2003, recorded November 17, 2003 as instrument #9131982 (Tract 1)

by Deed from Estate of Charles P. Turinick, deceased, by Thomas C. Hayes, Esq., Administrator C.T.A., dated October 6, 2004, recorded October 19, 2004 as instrument #2004103113 (Tract 2)

by Deed from Egg Harbor Township Board of Education, dated October 6, 2004, recorded December 8, 2004 as instrument #2004118590 (Tract 3)

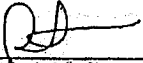
by Deed from Wilma Jean Seward, Executor of the Estate of Electa Dickerson, a/k/a Electa Minerva Dickerson, dated April 21, 2003, recorded May 12, 2003 as instrument #3051601 (Tract 4)

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Signatures. The Grantor signs this Deed as of the date of the top of the first page.

Attested by:

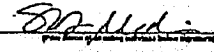
Canelec Land, L.L.C., a New Jersey
Limited Liability Company

By:  (Seal)
Robert Swartz, Acting Manager

STATE OF NEW JERSEY, COUNTY OF ~~CHES~~

SS:

I CERTIFY that on April 18, 2006, Robert Swartz personally came before me acknowledged under oath, to my satisfaction, that he is the Acting Manager of Canelec Land, L.L.C. and in such capacity he personally signed this Deed; he signed sealed and delivered this Deed as the company's act and deed; and he made this Deed for \$3,100,000.00 as the full and actual consideration paid or to be paid for the transfer of the. (Such consideration is defined in N.J.S.A. 46:15-5.)


Sherry C. DiMordio
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 11/14/2008

Record and return to:
GRANDE TITLE AGENCY, LLC
328 W. White Horse Pike, Berlin, NJ 08009
Voice 856-767-8573 • Fax 767-1156

672138



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(C.55, P.L. 2004)

GT/REP-3
(7-04)

(Please Print or Type)

SELLER(S) INFORMATION (If Multiple Sellers, Each Seller Must Complete a Certification)

Name(s)

Canerik Land, LLC

Current Resident Address:

Street 30 Washington Avenue, Ste B4

City, Town, Post Office

Haddonfield

Home Phone

()

State

NJ

Zip Code

08033

Business Phone

(856) 857-0055

PROPERTY INFORMATION (Brief Property Description)

Block(s)

Lot(s)

Qualifier

See Attached
Street Address:

City, Town, Post Office

Egg Harbor Township

Seller's Percentage of Ownership

100%

Consideration

3,100,000.00

Closing Date

4/18/2006

SELLER ASSURANCES (Check the Appropriate Box)

1. ☒ I am a resident taxpayer of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. ☐ The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. ☐ I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. ☐ Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. ☐ Seller is not individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.
6. ☐ The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

4/18/06
Date

[Signature]
Signature
(Seller) Please Indicate if Power of Attorney or Attorney In Fact

Date

Signature
(Seller) Please Indicate if Power of Attorney or Attorney In Fact

STATE OF NEW JERSEY

AFFIDAVIT OF CONSIDERATION FOR USE BY BUYER

(Chapter 49, P.L. 1968, as amended through Chapter 19, P.L. 2005)

To be recorded with deed pursuant to Chapter 48, P.L. 1998, as amended by Chapter 306, P.L. 1997 (N.J.S.A. 46:15-5 et seq.)
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY OF Camden

§ 55.

FOR RECORDER'S USE ONLY

Consideration \$ _____
RTT paid by buyer \$ _____
Date _____ By _____

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions # 3 and #4 on reverse side)

Deponent, Ruthann Arnold, being duly sworn according to law upon his/her oath,

deposes and says that he/she is the Officer of the Title Company in a deed dated 4/17/2006 transferring

real property identified as Block number see attached Lot number _____ located at

Egg Harbor Township, Atlantic County and situated thereon.
(Street Address, Municipality, County)

(2) CONSIDERATION \$ 3,100,000.00 (See Instructions #1 and #5 on reverse side)

Entire consideration is in excess of \$1,000,000.

PROPERTY CLASSIFICATION CHECKED BELOW SHOULD BE TAKEN FROM THE OFFICIAL TAX LIST (WHICH IS A PUBLIC RECORD) OF THE MUNICIPALITY WHERE THE PROPERTY IS LOCATED IN THE YEAR THAT THE TRANSFER IS MADE.

(A) When Grantor pays:

- ☐ Class 2 - Residential (4 Families or less) ☐ Class 4C - Residential Cooperative Unit
☐ Class 3A - Farm property (Regular) and any other real property transferred to same grantee in conjunction with transfer of Class 3A property.

(B) When Grantor does not have to pay, fill out below:

- ☒ Property class. Circle applicable class(es): 1 4A 4B 4C 15
☐ Exempt Organization Pursuant to Federal Internal Revenue Code of 1955

Property classes: 1-Vacant Land, 4A-Commercial, 4B-Industrial, 4C-Apartment (other than residential cooperative unit), 15-Public Property

(3) FULL EXEMPTION FROM FEE (See Instruction #6 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by G. 49, P.L. 1968, as amended through Chapter 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

Property Class 1-Vacant Land

Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 19, P.L. 2005.

Subscribed and sworn to before me this 17th day of April, 2006

LEBANEH GARDNER
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 17, 2008

[Signature]
Signature of Deponent
185 White Horse Pike Berlin NJ
Deponent Address

D.R. Hodon-New Jersey Inc.
Grantee Name
700 E. Gale Dr. Bldg 110 Mt Laurel
Grantee Address at Time of Sale

Grande Title Agency LLC
Name/Company of Deponent Officer

FOR OFFICIAL USE ONLY
Instrument Number _____ Book _____ Page _____
Deed Number _____ Date Recorded _____
Deed Dated _____

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form, as required by law.
This form may not be altered or amended without the approval of the Director.
For further information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at www.state.nj.us/treasury/taxation/affidavit/rtt100a.htm.

Block	Lot	Qual	Owner Name Property Location	Block	Lot	Qual	Owner Name Property Location
3313.	1.		CARTEIC LAND, LLC 127 VIOLET DRIVE	3313.	1.		127 MARSHALL DRIVE
3315.	2.		CARTEIC LAND, LLC 125 VIOLET DRIVE	3313.	2.		CARTEIC LAND, LLC 225 IVY ROAD
3316.	3.		CARTEIC LAND, LLC 123 VIOLET DRIVE	3313.	3.		CARTEIC LAND, LLC 223 IVY ROAD
3318.	4.		CARTEIC LAND, LLC VIOLET DRIVE	3313.	4.		CARTEIC LAND, LLC 221 IVY ROAD
3319.	5.		CARTEIC LAND, LLC 121 VIOLET DRIVE	3313.	5.		CARTEIC LAND, LLC 219 IVY ROAD
3320.	6.		CARTEIC LAND, LLC 119 VIOLET DRIVE	3313.	6.		CARTEIC LAND, LLC 217 IVY ROAD
3321.	7.		CARTEIC LAND, LLC 117 VIOLET DRIVE	3313.	7.		CARTEIC LAND, LLC 215 IVY ROAD
3322.	8.		CARTEIC LAND, LLC 115 VIOLET DRIVE	3313.	8.		2 DARTMOUTH ROAD
3323.	9.		CARTEIC LAND, LLC 113 VIOLET DRIVE	3313.	9.		CARTEIC LAND, LLC 4 DARTMOUTH ROAD
3324.	10.		CARTEIC LAND, LLC 111 VIOLET DRIVE	3313.	10.		CARTEIC LAND, LLC 6 DARTMOUTH ROAD
3325.	11.		CARTEIC LAND, LLC 109 VIOLET DRIVE	3313.	11.		CARTEIC LAND, LLC 8 DARTMOUTH ROAD
3326.	12.		CARTEIC LAND, LLC 107 VIOLET DRIVE	3313.	12.		CARTEIC LAND, LLC
3327.	13.		CARTEIC LAND, LLC 105 VIOLET DRIVE	3328.	1.		250 IVY ROAD
3328.	14.		CARTEIC LAND, LLC 103 VIOLET DRIVE	3328.	2.		CARTEIC LAND, LLC MARSHALL DRIVE
3329.	15.		CARTEIC LAND, LLC 101 VIOLET DRIVE	3328.	3.		101 MARSHALL DRIVE
3330.	16.		CARTEIC LAND, LLC 99 VIOLET DRIVE	3328.	4.		CARTEIC LAND, LLC 103 MARSHALL DRIVE
3331.	17.		CARTEIC LAND, LLC 97 VIOLET DRIVE	3328.	5.		CARTEIC LAND, LLC 105 MARSHALL DRIVE
3332.	18.		CARTEIC LAND, LLC 95 VIOLET DRIVE	3328.	6.		CARTEIC LAND, LLC 107 MARSHALL DRIVE
3333.	19.		CARTEIC LAND, LLC 93 VIOLET DRIVE	3328.	7.		CARTEIC LAND, LLC 109 MARSHALL DRIVE
3334.	20.		CARTEIC LAND, LLC 91 VIOLET DRIVE	3328.	8.		CARTEIC LAND, LLC 111 MARSHALL DRIVE
3335.	21.		CARTEIC LAND, LLC 89 VIOLET DRIVE	3328.	9.		CARTEIC LAND, LLC 113 MARSHALL DRIVE
3336.	22.		CARTEIC LAND, LLC 87 VIOLET DRIVE	3328.	10.		CARTEIC LAND, LLC 115 MARSHALL DRIVE
3337.	23.		CARTEIC LAND, LLC 85 VIOLET DRIVE	3328.	11.		CARTEIC LAND, LLC 117 MARSHALL DRIVE
3338.	24.		CARTEIC LAND, LLC 83 VIOLET DRIVE	3328.	12.		CARTEIC LAND, LLC 119 MARSHALL DRIVE
3339.	25.		CARTEIC LAND, LLC 81 VIOLET DRIVE	3328.	13.		CARTEIC LAND, LLC 121 MARSHALL DRIVE
3340.	26.		CARTEIC LAND, LLC 79 VIOLET DRIVE	3328.	14.		CARTEIC LAND, LLC 123 MARSHALL DRIVE
3341.	27.		CARTEIC LAND, LLC 77 VIOLET DRIVE	3328.	15.		CARTEIC LAND, LLC 125 MARSHALL DRIVE
3342.	28.		CARTEIC LAND, LLC 75 VIOLET DRIVE	3328.	16.		CARTEIC LAND, LLC 127 MARSHALL DRIVE
3343.	29.		CARTEIC LAND, LLC 73 VIOLET DRIVE	3328.	17.		CARTEIC LAND, LLC 129 MARSHALL DRIVE
3344.	30.		CARTEIC LAND, LLC 71 VIOLET DRIVE	3328.	18.		CARTEIC LAND, LLC 131 MARSHALL DRIVE
3345.	31.		CARTEIC LAND, LLC 69 VIOLET DRIVE	3328.	19.		CARTEIC LAND, LLC 133 MARSHALL DRIVE
3346.	32.		CARTEIC LAND, LLC 67 VIOLET DRIVE	3328.	20.		CARTEIC LAND, LLC

Block	Lot	Sub	Deed Name Property Location
3325.	6.		301 VIOLET DRIVE CRANFORD LAKE, LLC
3325.	7.		310 VIOLET DRIVE CRANFORD LAKE, LLC
3325.	8.		322 VIOLET DRIVE CRANFORD LAKE, LLC
3325.	9.		331 VIOLET DRIVE CRANFORD LAKE, LLC
3325.	10.		340 THE ROAD CRANFORD LAKE, LLC
3325.	11.		350 THE ROAD CRANFORD LAKE, LLC
3325.	12.		361 THE ROAD CRANFORD LAKE, LLC
3325.	13.		371 THE ROAD CRANFORD LAKE, LLC
3325.	14.		381 THE ROAD CRANFORD LAKE, LLC
3325.	15.		391 THE ROAD CRANFORD LAKE, LLC
3325.	16.		401 THE ROAD CRANFORD LAKE, LLC
3325.	17.		411 THE ROAD CRANFORD LAKE, LLC
3325.	18.		421 THE ROAD CRANFORD LAKE, LLC
3325.	19.		431 THE ROAD CRANFORD LAKE, LLC
3325.	20.		441 THE ROAD CRANFORD LAKE, LLC
3325.	21.		451 THE ROAD CRANFORD LAKE, LLC
3325.	22.		461 THE ROAD CRANFORD LAKE, LLC
3325.	23.		471 THE ROAD CRANFORD LAKE, LLC
3325.	24.		481 THE ROAD CRANFORD LAKE, LLC
3325.	25.		491 THE ROAD CRANFORD LAKE, LLC
3325.	26.		501 THE ROAD CRANFORD LAKE, LLC
3325.	27.		511 THE ROAD CRANFORD LAKE, LLC
3325.	28.		521 THE ROAD CRANFORD LAKE, LLC
3325.	29.		531 THE ROAD CRANFORD LAKE, LLC
3325.	30.		541 THE ROAD CRANFORD LAKE, LLC
3325.	31.		551 THE ROAD CRANFORD LAKE, LLC
3325.	32.		561 THE ROAD CRANFORD LAKE, LLC
3325.	33.		571 THE ROAD CRANFORD LAKE, LLC
3325.	34.		581 THE ROAD CRANFORD LAKE, LLC
3325.	35.		591 THE ROAD CRANFORD LAKE, LLC

STATEMENT RE: ACCESS AND SPECIAL CONDITIONS

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 of the Community. The major access streets to the Community is from Mill Road and Ocean Heights Avenue.

Charles Jones, L.L.C. has certified that portions of the Community are located within a Special Flood Hazard Area as identified by the Federal Insurance Administration. Included as part of this Exhibit 12 are the certifications issued by Charles Jones, L.L.C. Charles Jones, L.L.C. has further certified that no improvements are proposed for development in any part of the Community located in a Special Flood Hazard Area.

Elevated radon levels have recently been discovered in existing homes and other structures which have been tested in New Jersey. The New Jersey Department of Environmental Protection has classified no municipalities within Atlantic County as a "Tier 1" 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 construction techniques utilized by the Developer 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

EXHIBIT 12

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.

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.

**STATEMENT RE: STATUS OF COMPLIANCE WITH LAWS,
ORDINANCES AND REGULATIONS OF GOVERNMENTAL AGENCIES**

To the best of the Developer's knowledge, information and belief, all laws, ordinances, regulations or requirements of governmental agencies having jurisdiction over the property that is the subject of this Application for Registration have been complied with, including the regulations promulgated by the Department of Environmental Protection.

Incorporated as part of this Exhibit 19 are copies of all governmental approvals received as of the date of this Application for Registration, which include the following:

1. Township of Egg Harbor Planning Board Amended Decision and Resolution of Preliminary Major Subdivision Approval dated November 18, 2002.
2. Township of Egg Harbor Final Subdivision Decision and Resolution dated April 16, 2001.
3. Egg Harbor Township Municipal Utilities Authority Preliminary Sewerage Application Resolution #71-2001 dated July 19, 2001.
3. Developer's Agreement - The Arbors at Wood Hollow SDP 08-00 dated August 25, 2003; to which is attached as Exhibit A
4. New Jersey Department of Environmental Protection permit dated June 19, 2003 to the New Jersey American Water Company for approval of modification of water distribution system.
5. New Jersey Pinelands Commission correspondence dated August 13, 2002.
6. Atlantic County Development Review Committee Major Final Approval dated August 17, 2004.

EXHIBIT 19

7. New Jersey Department of Environmental Protection Sewer Permit dated October 23, 2003.
8. Developer's Agreement dated July 2, 2004.
9. Ordinances No. 34 and 39 of the Township of Egg Harbor vacating streets.

EXHIBIT 19

Enid L. Hyberg, Esq.
YOUNGBLOOD, CORCORAN, LAFFERTY,
HYBERG & WALDMAN, P.A.
3205 Fire Road
P.O. Box 850
Egg Harbor Township, NJ 08232
(609) 645-2201
Attorneys for Egg Harbor Township Planning Board

APPLICATION OF DiMARCAN, LLC FOR	:	TOWNSHIP OF EGG HARBOR
PRELIMINARY MAJOR SUBDIVISION APPROVAL	:	PLANNING BOARD
FOR BLOCK 3301, LOTS 9 AND 18 AND BLOCK	:	
3302, LOTS 96-101 FOR A PROJECT KNOWN	:	
AS ENGLISH MILL SECTION I	:	APPLICATION NO. SDP 25-01
APPLICATION OF DiMARCAN, LLC FOR	:	
PRELIMINARY MAJOR SUBDIVISION APPROVAL	:	
FOR BLOCK 3301, LOTS 9-11 AND 18; BLOCK	:	
3302, PART OF LOT 10, LOT 92-94 AND 96-	:	
101 AND BLOCK 4001, LOTS 2, 3 AND 6 FOR	:	
A PROJECT KNOWN AS ENGLISH MILL SECTION	:	
II	:	APPLICATION NO. SDP 16-02
	:	AMENDED
	:	DECISION AND RESOLUTION

THIS MATTER having been heard by the Planning Board of the Township of Egg Harbor on September 9, 2002 and continued on October 21, 2002, at a regularly scheduled meeting at the Township Hall of Egg Harbor Township and the Board having reviewed the Applications and plans as submitted and a quorum being present; and

WHEREAS, the Egg Harbor Township Planning Board has heard the testimony of James A. Mott, Planning Board Engineer, and received his reports dated August 30, 2002, attached hereto and made a part hereof; and

WHEREAS, the Egg Harbor Township Planning Board has heard the testimony of Christopher Rehmann, Planning Board Planner and received

his reports dated September 3, 2002 for English Mill Section I and II, attached hereto and made a part hereof; and

WHEREAS, Although, the Applicant has submitted two Applications, one for English Mill Section I and one for English Mill Section II, the project will be constructed as one development consisting of 397 residential detached single family dwellings for an age restricted planned adult community. Two separate Applications were filed due to the finalization of the contractual arrangements with the owners of the various tracts of land; and

WHEREAS, the Egg Harbor Township Planning Board has reviewed the Applications submitted by the Applicant together with the following materials:

ENGLISH MILL SECTION I:

Preliminary and Major Subdivision Plans prepared by Consulting Engineer Services dated July 27, 2001, last revised August 22, 2002; Survey and Topographic Plan prepared by Millennium Surveying & Mapping dated February 22, 2001, last revised June 24, 2002; Environmental Impact Statement prepared by Consulting Engineer Services dated August 2, 2001, last revised August 23, 2002; Community/Fiscal Impact Report prepared by Consulting Engineer Services dated August 2, 2001, last revised August 23, 2002; Traffic Impact and Air Quality Report prepared by Shropshire Associates, LLC dated August 2, 2001, last revised May 16, 2002; Sewer and Water Report prepared by Consulting Engineer Services dated August 7, 2001; Egg Harbor Township MUA Approval Letter dated July 19, 2001; Modification Report prepared by Consulting Engineer Services dated October 8, 2001; Letter of

Interpretation No. 1563 issued by The Pinelands Commission dated October 4, 2001; Certification of Paid Taxes issued by the Egg Harbor Township Tax Assessor dated October 9, 2001, Open and Recreation Space Narrative prepared by Consulting Engineer Services and Certificate of Filing prepared by The Pinelands Commission dated February 22, 2002;

ENGLISH MILL SECTION II

Preliminary Major Subdivision Plan prepared by Consulting Engineer Services dated June 7, 2002, last revised August 22, 2002; Environmental Impact Statement prepared by Consulting Engineer Services dated June 24, 2002, last revised August 23, 2002; Community Impact Report prepared by Consulting Engineer Services dated June 24, 2002, last revised August 23, 2002; Stormwater Management Report prepared by Consulting Engineer Services dated June 24, 2002, last revised August 23, 2002; Site Photograph submitted by Consulting Engineer Services, undated; Traffic Impact and Air Quality Report prepared by Shropshire Associates, LLC dated August 2, 2001; Sewer and Water Report prepared by Consulting Engineer Services dated August 7, 2001; Egg Harbor Township MUA Approval Letter dated July 19, 2001; Modification Report issued by Consulting Engineer Services dated October 8, 2001; Letter of Interpretation No. 1563 issued by the Pinelands Commission dated October 4, 2001; Certification of Paid Taxes issued by the Egg Harbor Township Tax Assessor dated October 9, 2001; Certificate of Filing issued by The Pinelands Commission dated October 21, 2002; and

WHEREAS, the Egg Harbor Township Planning Board, based upon the exhibits submitted, the reports and testimony of the Planning Board

Engineer and the Planning Board Planner, and the testimony presented on behalf of the Applicant, makes the following findings of fact:

1. The Applicant is DiMarcan, LLC, a Limited Liability Company, with offices located at 30 Washington Avenue, Suite B-4, Haddonfield, New Jersey. At the time of the hearing, the Applicant was represented by Stephen R. Nehmad, Esquire, of the law firm of Perskie, Nehmad and Perillo, P.C. with offices located at 4030 Ocean Heights Avenue, Egg Harbor Township, New Jersey.

2. The Applicant has submitted properly filed Applications, all required documents, has paid all required fees and has complied with the notice and advertising requirements of the Municipal Land Use Law. The subject property is split zoned between the HB and RG-3 zoning districts. The proposed planned adult community consisting of single-family residential detached dwellings will be constructed only within the RG-3 portion of the site situated to the north and south of High School Drive. The Applicant proposes to subdivide approximately 199.73 acres of land known as Block 3301, Lots 9-11 and 18, Block 3302, Lots (P/O) 10, 92-94, 96-101 and Block 4001, Lots 2, 3 & 6 of which 7.47 acres will be reserved for future commercial development in the HB Zone as part of the Section I development, 19.27 acres will be reserved for future high school development as part of the Section II development, and the remaining 172.99 acres of land will be reserved for 397 residential detached single-family dwellings for an age restricted planned adult community. The proposed project will be constructed in two sections, under two separate applications, but as one unified planned adult community project. Under Application SDP

25-01/R3, the Applicant is seeking preliminary major subdivision approval of approximately 85.73 acres of land located to the south of High School Drive to create 261 lots, 253 of which will be used for single family residential detached dwellings for a planned adult community. An additional 49.59 acres of land located to the north of High School Drive and reserved for future development will be included with English Mill Section I due to proposed stormwater improvements for Section I on the site. Under Application SDP 16-02, known as English Mill Section II, the Applicant proposes to subdivide approximately 87.26 acres of land located to the north and south of High School Drive to create 151 lots, 144 of which will be used for single family residential detached dwellings for a planned adult community. The proposed planned adult community will include active and passive recreation and open space. The proposed planned adult community will have access onto Mill Road (County Road 662) and High School Drive. The Application is a conditional use within the RG-3 Residential District.

3. The project will be serviced by public water provided by the New Jersey-American Water Company and public sewer provided by the Egg Harbor Township MUA.

4. At the time of the hearing of the Applications, the Commissioner of the Department of Environmental Protection had issued an Administrative Order prohibiting the New Jersey-American Water Company as the purveyor of water services in this area from providing water for use in the construction or subsequent utilization of any new building, dwelling, structure, facility or other development within

the Township of Egg Harbor except for such new building, dwelling, structure, facility or other development for which a construction permit has been issued prior to the date of the Administrative Order, being September 22, 2002.

5. At the time of the hearing, the Applicant marked and introduced into evidence the following exhibits:

A-1 English Mill I Site Plan;

A-2 English Mill Overall Site Plan;

A-3 English Mill Aerial Photo;

A-4 English Mill Comparison Chart;

A-5 English Mill Open Space/Tree Preservation Comparison Chart;

A-6 English Mill Benefits to the Community;

A-7 Tree Preservation Plan;

A-8 Community Photos;

A-9 Lifestyle Photos.

6. John Canuso, a Principal in DiMarcan, LLC, provided testimony regarding the proposed project. Initially, Mr. Canuso explained to the Board why the project, while being developed as a single planned adult residential community, was filed in two separate Applications. Mr. Canuso stated that certain lands were acquired from private individuals while other lands were a part of an exchange agreement among Egg Harbor Township, the Egg Harbor Township Board of Education and the Applicant. Due to the length of time of the negotiations, the property that was part of the tri-party agreement among the Township, the School Board and the Applicant, was filed subsequent to the Application for the lands acquired from private individuals.

7. Mr. Canuso referenced the project at English Mill, both Sections I and II, as being similar to the "Little Mill" planned adult community that was previously approved by the Board. The project proposes a planned adult community which is a conditional use in the RG-3 Zone. A Homeowner's Association is proposed for both Section I and Section II and both Sections will be developed and exist as one community.

8. Mr. Canuso testified that the plan meets or exceeds all of the conditional use requirements set forth under Section 225-73 of the Egg Harbor Township Zoning Code as it pertains to planned adult communities. Mr. Canuso further testified that the minimum required open space for a planned adult community is 20% of the net acreage of the site after the subtraction of all designated wetland, buffer areas or areas to be utilized for stormwater management. Mr. Canuso testified that the project, being defined as English Mill Section I and Section II, provides 30% open space or approximately 36.45 acres. This is well in excess of the 20% as required under the Ordinance. When the wetland basins are included, the amount of open space rises to 43% of the total site or 74.52 acres.

9. The proposed development provides for small lot cluster development with the average lot size being 53 feet by 113 feet. The Applicant proposes a density of 2.29 units per acre, which is permissible subject to the purchase of .25 PDC for each unit exceeding the PDC density of 2.25 units per acre.

10. Mr. Canuso along with Design Engineer, Henry Haley, provided testimony regarding the proposed tree preservation for the project.

The minimum preservation requirement under the Egg Harbor Township Ordinances, which is 35% per lot, amounts to a minimum preservation of 19.82 acres. Although the Applicant is unable to satisfy the tree preservation requirement per lot, the Applicant has provided testimony that through the establishment of mandatory buffers and other open space, the Applicant is able to satisfy the intent of the Ordinance on a project wide basis by preserving 60.66 acres. Mr. Haley testified that it is impossible for the Applicant to maintain a 35% tree preservation on each lot and accomplish the necessary grading to construct the project. The Planning Board requests and the Applicant has agreed to provide a vegetation plan for each lot and as a condition of approval shall provide a phased clearing plan to the Planning Board Engineer at the time of the filing of the Application for Final Approval.

11. Mr. Haley provided detailed testimony regarding the buffers on the site. Mr. Haley testified that there is a 50-foot buffer along all rear yards on High School Drive and that the buffer will be deed restricted such that all trees located within the buffer cannot be removed. As a further condition of approval, the Applicant has agreed to add supplemental plantings where necessary and as required by the Planning Board Engineer and Planner.

12. Mr. Haley provided detailed testimony regarding the subdivision plan. He indicated that there are two wet basins along the entrance at Mill Road. These basins will have fountains and be properly landscaped to provide a favorable visual appearance for the community. The remaining four basins are located throughout the site.

The Clubhouse will be located at the entrance and will be the subject of a separate site plan application. The Applicant also proposes to complete High School Drive out to Tremont Avenue with full width overlay, with curbing and sidewalk on the north side.

13. Mr. Haley testified that the Applicant proposes the establishment of a Homeowner's Association and all appropriate documents regarding the creation of the association as well as all appropriate declarations and covenants thereof shall be submitted to the Planning Board Solicitor for review. The Association will own and maintain all basins as well as provide for uniform landscaping for the properties. No fences will be permitted for the individual lots. The lots will also be deed restricted to provide for decks and patios to be of a certain size and material. No sheds, outdoor storage or individual gardens will be permitted. Owners must receive approval from the Homeowner's Association to deviate from any of the landscaping plans. The Township will be responsible for snow and trash removal.

14. Mr. Haley stated that there is a 25-foot wide proposed buffer between the lot designated for future high school expansion and the project. The Applicant has agreed to install a fence between the project and the proposed future development of the high school to be located on Block 3302, Lot 414. The Applicant has also agreed to install a fence between the project and the Township property located on Block 3301, Lot 17. This fence shall be of solid construction, either board-on-board or vinyl.

15. As part of the Application, the Applicant is seeking the following checklist waivers for both Section I and Section II:

A. From Item 2 that the plans be drawn at a scale of one inch equals 50 feet.

The Applicant provided testimony that in order to show the entire tract on one sheet due to its size, the Applicant cannot satisfy this requirement. Based upon the recommendation of the Planning Board Engineer, the Egg Harbor Township Planning Board hereby grants the checklist waiver for both Application SDP 16-02 and Application SDP 25-01, English Mill Section II and English Mill Section I, respectively, from Item 2 as set forth above.

16. The Applicant is seeking the following design waivers for SDP 16-02 English Mill Section II:

A. From Section 94-22A(2) to provide the location of all specimen trees and individual trees greater than 15 inch dbh;

B. From Section 94-28A(10) the design of open space area;

C. From Section 94-36 which provides a maximum lot clearing for lots having an area of less than 10,000 square feet to 65% of the lot cleared;

D. From Section 94-44F(1) from sodding the side slopes and basin bottom;

E. From Section 94-44F(3)(h)[6] to design the basin as a two stage structure;

17. In support of the requested design waivers, the Applicant provided the following testimony. The Applicant is requesting a partial waiver from Section 94-22A(2) in that the Applicant selected

four random areas on the site for the purposes of identifying all specimen trees, and individual trees greater than 15 inch dbh. The Applicant provided testimony that it was unable to locate any specimen trees or tress with 15 inch dbh in the areas chosen. The Applicant stated that because the Applicant will be clear cutting the site, it is requesting a waiver from having to identify all specimen trees and individual trees greater than 15 inch dbh other than those identified in the random study. In support of the request from the waiver of the open space areas, Mr. Haley testified that while the design standard provides that open space area should weave between dwelling units generally respecting a minimum width of 50 feet and periodically widening out into significant and usable recreation areas, the Applicant has designed the site with open space areas having a width of 25 feet in some areas and 50 feet in others. Mr. Haley described the proposed open space areas, which emanate from the two wet basins around the perimeter of the site and extend into other areas in the center of the site in a finger pattern, as satisfying the intent of the Ordinance although the literal intent may not be met. In support of the waiver from the selective clearing requirement, the Applicant provided testimony that although it is clearing more on the individual lots it will be providing a revegetation plan for each lot. Moreover, the overall tree preservation on the entire site (Section I and II) is approximately 60 acres. As a condition for granting this waiver, the Planning Board Engineer stated that the Applicant shall provide a phased clearing plan as part of its Application for Final Approval which will identify the phases of clearing as well as what areas will

be cleared. The Applicant further agrees to supplement all remaining buffers to the satisfaction of the Planning Board Engineer and to provide the design of the open space such as pedestrian trails and walkways at the time of submission for final approval. In support of the waiver for sodding the side slopes and basin bottom, the Applicant provided testimony that two of the basins will be wet basins with fountains, the remaining basins will have the sides sodded and the basin bottom will be vegetation free soil. In support of the waiver from designing the basin as a two stage structure, the Applicant provided testimony that it will place a note on the plans indicating that the basins will be thoroughly scarified and cleaned prior to acceptance.

18. Based upon the testimony provided by the Applicant's Engineer, the recommendation of the Planning Board Engineer, and the Applicant's testifying that it will agree to the conditions imposed with regard to specimen trees, the design of the open space areas and selective clearing, the Egg Harbor Township Planning Board hereby grants the design waivers set forth for English Mill Section II set forth in Paragraph 16 above.

19. The Applicant is requesting the same design waivers for English Mill Section I, Application SDP 25-01 with the addition of a design waiver from Section 94-24B(2) that side lot lines be either at right angles or radial to street lines. Mr. Haley testified that approximately eight of the interior lots are designed with non-radial lot lines in order to provide curvature that will improve the design features of the subdivision.

Based upon the testimony provided by the Applicant's Engineer, the recommendation of the Planning Board Engineer and the Applicant's agreement to the conditions imposed with regard to specimen trees, design of open space and selective clearing, the Egg Harbor Township Planning Board hereby grants the design waivers from Section 94-22, Section 94-24B(2), Section 94-28A(10), Section 94-36, Section 94-44F(1) and Section 94-44F(3)(h) [6].

20. As part of the Application, the Applicant is requesting variance relief from Sections 225-73D(8) and 225-73C(5) to permit lot width variances for interior and corner lots in Section II, specifically, Lots 407, 408, 409, 410 and 412 and lot width variances for interior and corner lots in Section 1, specifically Lots 254, 257, 258, 259, 260 and 261. In support of the request for the lot width variances for the corner lots and interior lots, Mr. Haley provided testimony that the purpose for minimum lot widths is to provide adequate light, air and open space between buildable lots. Because the proposed lots for which lot width variances are requested are open space lots, there is no need to apply this principle to these lots. Moreover, benefits to be served by providing a favorable visual environment by permitting the deviation from the lot width requirement would outweigh any negative impacts of which Mr. Haley testified there are none.

21. Based upon the testimony of the Applicant's Engineer and the recommendation of the Planning Board Engineer, the Egg Harbor Township Planning Board hereby grants interior lot width and corner lot width

variances for lots 407, 408, 409, 410 and 412 for Section II and Lots 254, 257, 258, 259, 260 and 261 for Section I.

22. Mr. Haley testified that the Pinelands Commission has filed an Amended Certificate of Filing requiring the Applicant to provide for an emergency access road that will connect Road "L" and Road "J". The Applicant will revise the plans which may require the relocation of certain lots to provide for the proper access, the access road will have a stabilized base and will have grass pavers that will be able to withstand the load of emergency vehicles.

23. The Applicant's Engineer, David Shropshire, testified regarding the effect of the project on the intersections of High School Drive and English Creek Avenue and Mill Road and Ocean Heights Avenue. Mr. Shropshire testified that at full build-out there will be a need for a traffic light at the intersection of High School Drive and English Creek. Mr. Shropshire stated that because English Creek is a County Road, the County will calculate the amount of the Applicant's fair share contribution toward the installation of the traffic light. Additionally, with regard to the intersection of Mill Road and Ocean Heights Avenue, Mr. Shropshire stated that preliminary discussions with the County have indicated that no signalization is warranted at this time. However, in the event that signalization is required, the Applicant will make its fair share contribution if the County requires.

24. The Egg Harbor Township Planning Board in granting preliminary subdivision approval to English Mill Sections I and II, hereby recommends that the intersection of High School Drive and

English Creek be signalized as well as the intersection of Mill Road and Ocean Heights Avenue and that the Applicant pay its pro rata share thereof. As to any improvements of High School Drive that may be warranted as a result of the signalization of the intersection, the design will be deferred to the time of final approval. However, the Applicant has agreed that the Township/Planning Board Engineer shall be party to all discussions with the County regarding any improvements of this intersection.

25. At the time of the initial hearing on September 9, 2002, several members of the public spoke. The public hearing was closed with the understanding that it would be reopened at the October hearing to allow any members of the public to speak either for or against the project. The Applicant and the Planning Board hereby incorporate all of the testimony given at the September hearing by members of the public at the October hearing. Ed Banfe of 3 Dixon Drive, Medford, New Jersey, the owner of Block 3302, Lot 95 testified that Ivins Avenue is a paper street that extends to his lot. He had requested that the street be improved to his lot and that there would be utilities available for his connection. In response to issues raised by Lou Needly of 19 High School Drive and Tim and Jeanie Martinolich of 13 and 15 High School Drive, the Applicant testified that there will be a 50 foot buffer along all rear yards on High School Drive. The buffer will be deed restricted such that any trees located in the buffer will not be removed. The Applicant has also agreed as a condition of approval to supplement the buffer with additional plantings as required by the Planning Board Engineer.

26. The Planning Board recognizes the Administrative Order of the New Jersey Department of Environmental Protection ordering and directing the New Jersey-American Water Company as a purveyor of water in this area not to distribute or provide water for use in the construction or subsequent utilization of any new building, dwelling, structure, facility or other development in Egg Harbor Township unless a construction permit had been issued prior to the date of the order, that being September 22, 2002. Although there have been certain exceptions and the establishment of a hardship exemption procedure subsequent to the date of the order, the Egg Harbor Township Planning Board specifically states that any approval granted to the Applicant by the Planning Board shall not be construed or interpreted as a tactic recommendation that a hardship exemption be granted to the Applicant. Any approval granted herein is mandated by N.J.S.A. 40:55D-22 which provides that if an application for development complies with the municipal development regulations, the municipal agency shall approve such application conditioned on removal of such legal barrier to development.

27. At the time of the second hearing on October 21, 2002, the Planner for the Planning Board stated for the record that his firm would have to be disqualified from further review of the Application due to a conflict of interest. Because of the alleged conflict of interest, the Planning Board Engineer would assume all duties of the Planning Board Planner on this project. In light thereof, the Applicant provided testimony that it will comply with the comments set forth in the Planner's report dated September 3, 2002 for Section II

and September 3, 2002 for Section I and the Engineer's report dated August 30, 2002 for Section II and Section I to the extent not modified herein, with the understanding that compliance therewith shall be monitored by the Planning Board Engineer's Office.

28. The Planning Board specifically finds that the Applicant shall have the benefit of a five year period of zoning protection as permitted under N.J.S.A. 40:55D-49d with regard to the preliminary approval granted herein.

NOW, THEREFORE, a motion having been made and approved by a vote of eight (8) in favor and none (0) opposed, the Egg Harbor Township Planning Board hereby grants preliminary major subdivision approval, conditional use approval, along with design and checklist waivers as requested, and lot width variances for interior lots and corner lots for SDP 16-02 English Mill Section II and SDP 22-01 English Mill Section I, subject to the following terms and conditions that are applicable to both Applications:

A. The Applicant shall comply with the review comments of the Planning Board Engineer and the Planning Board Planner in their reports to the extent not modified herein.

B. Agreement by the Applicant to specific items not contained within this Decision and Resolution, but which are otherwise set forth in the Application, which are contained in the record of the hearing of this Application, and are adopted by reference, even though not set forth herein at length.

C. The approval granted herein is contingent upon the Applicant receiving the approval of any and all governmental agencies having jurisdiction.

D. The Applicant has agreed that High School Drive to Tremont Avenue will be improved with full width overlay, with curbing and sidewalk on the north side.

E. The Applicant shall revise the plans to provide for an emergency access road connecting Road "L" and Road "H" as required by the Pinelands Commission, improved with a stabilized base and grass pavers.

F. The project will be constructed in conformance with the waivers granted herein and shall be used as a planned adult community for age 55 and older in conformance with the Certificate of Registration filed with the Department of Community Affairs.

G. The Applicant has agreed to install a solid fence either board-on-board or of vinyl construction between the project and Block 3301, Lot 17, a public works yard owned by the Township.

H. The Applicant has agreed to install a fence between the proposed future expansion of the high school and Block 3302, Lot 14 and the project.

I. The Applicant has agreed to contribute its fair share toward the signalization of High School Drive and English Creek Avenue and any signalization that may be required by the County at the intersection of Mill Road and Ocean Heights Avenue.

J. The Applicant has agreed as a condition of approval that any improvement of High School Drive shall be deferred until the time of

final approval. However, the Applicant has agreed that the Egg Harbor Township Planning Board Engineer shall be made a party to any and all discussions with the County regarding the improvement of High School Drive and English Creek Avenue.

K. The Applicant shall provide to the Planning Board Engineer prior to the time of submission of an Application for Final Approval a phased clearing plan setting forth in specifics those areas that will be cleared to the satisfaction of the Planning Board and Township Engineer.

L. As a condition of approval, the Applicant shall supplement all remaining buffers to the satisfaction of the Planning Board Engineer.

M. As a condition of approval, the Applicant shall provide a design of the proposed open space at the time of the submission of the Application for Final Approval providing details of a pedestrian trail and walkway.

N. The approval granted herein is conditioned upon the removal of the legal barrier to development resulting from the Administrative Order of the Commissioner of the Department of Environmental Protection regarding the distribution or provision of water for this development under Administrative Order No. 2002-22.

O. The Applicant has agreed to improve Ivins Avenue to provide access for the owner of Block 3302, Lot 95.

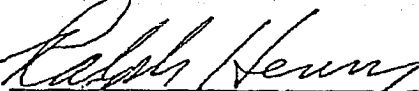
P. The Applicant shall enter into a hold harmless Agreement with the Township in accordance with Section 94-44E(6).

Q. The Applicant shall provide all homeowners all documents providing for the establishment of a Homeowner's Association to the Planning Board Solicitor for review.

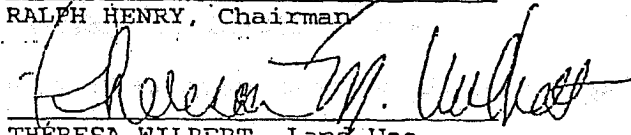
R. The approval granted herein is conditioned upon there being no development until all off-site public sanitary sewer lines are installed to the perimeter of the subject tract.

S. All conditions of this Decision and Resolution shall be enforceable unless otherwise waived by the Planning Board by the withholding of building permits and/or certificates of occupancy or by any other remedy available at law or in equity.

EGG HARBOR TOWNSHIP PLANNING BOARD



RALPH HENRY, Chairman



THERESA WILBERT, Land Use
Administrator

Dated: 11/18/02

RE: DiMarcen, LLC

Application Nos. SDP-25-01 and SDP 16-02

VOTING IN FAVOR OF THE
CHECKLIST WAIVER FOR SDP 16-02
ENGLISH MILL SECTION II:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller

ABSTENTIONS:

OPPOSED:

VOTING IN FAVOR OF THE REQUESTED
DESIGN WAIVER FOR SDP 16-02
ENGLISH MILL SECTION II:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller

ABSTENTIONS:

OPPOSED:

VOTING IN FAVOR OF THE REQUESTED
VARIANCE RELIEF (INTERIOR LOT
WIDTH AND CORNER LOT WIDTH) FOR
SDP 16-02:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller

ABSTENTIONS:

OPPOSED:

VOTING IN FAVOR OF CONDITIONAL
USE APPROVAL, CONDITIONAL
PRELIMINARY AND MAJOR SUBDIVISION
APPROVAL FOR A PLANNED ADULT
COMMUNITY (SDP 16-02) ENGLISH
MILL SECTION II:

ABSTENTIONS:

OPPOSED:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller

VOTING IN FAVOR OF THE REQUESTED
CHECKLIST WAIVER FOR SDP 25-01
ENGLISH MILL SECTION I:

ABSTENTIONS:

OPPOSED:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller

VOTING IN FAVOR OF THE REQUESTED
DESIGN WAIVERS FOR SDP 25-01
ENGLISH MILL SECTION I:

ABSTENTIONS:

OPPOSED:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller

VOTING IN FAVOR OF THE REQUESTED
VARIANCE RELIEF (INTERIOR LOT
WIDTH AND CORNER LOT WIDTH)

SDP 25-01 ENGLISH MILL SECTION I:

ABSTENTIONS:

OPPOSED:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller

VOTING IN FAVOR OF CONDITIONAL
USE APPROVAL, CONDITIONAL
PRELIMINARY AND MAJOR SUBDIVISION
APPROVAL FOR A PLANNED ADULT
COMMUNITY SDP 25-01 ENGLISH MILL
SECTION I:

ABSTENTIONS:

OPPOSED:

Duffy
Eykyn
Flipping
Garth
Henry
Maltz
McCullough
Miller



State of New Jersey

THE PINELANDS COMMISSION

PO Box 7

New Lisbon NJ 08064

(609) 894-7300

JAMES E. MCGREEVEY
Governor

ANNETTE M.
Executive

December 13, 2002

Robert Bower
DiMarcan, LLC
30 Washington Ave.
Suite 4B
Haddonfield, NJ 08033

Please Always Refer To
This Application Number

Re: Application #83-6164.07
Block 3301, Lots 9 & 18
Block 3302, Lots 96--101
Egg Harbor Township

Dear Mr. Bower:

We have reviewed the preliminary subdivision approval and the amended preliminary subdivision approval issued by the Egg Harbor Township Planning Board for the development of 397 single family dwellings, a lot containing a clubhouse and associated recreational facilities, four lots dedicated to open space, four lots containing stormwater managements facilities and three lots containing stormwater conveyance easements on a 173.72 acre portion of the above 199.73 acre parcel, the installation of approximately 17,747 linear feet of public sanitary sewer main and approximately 27,150 linear feet of water main within the Mill Road and High school Drive rights-of-way and the internal roads of the subdivision and the improvement of the Oakland Avenue right-of-way from Tremont Avenue to High School Drive. Based upon this review, the approval can take effect.

Copies of all other permits and approvals must be submitted to the Pinelands Commission before any such permit or approval can take effect.

The subdivision plan, consisting of 49 sheets, submitted to the Pinelands Commission was prepared by Consulting Engineer Services and dated as follows:

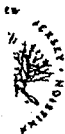
Cover Sheet	undated	
Sheet 2	dated 6/7/02	last revised 9/20/02
Sheets 3 & 4	dated 6/7/02	last revised 11/18/02
Sheets 5 - 7	dated 6/7/02	last revised 9/16/02
Sheets 8	dated 6/7/02	last revised 11/18/02
Sheets 9 - 11	dated 6/7/02	last revised 9/16/02

<http://www.state.nj.us/pinelands/>

E-mail: info@njpines.state.nj.gov

The Pinelands—Our Country's First National Reserve and a U.S. Biosphere

New Jersey Is An Equal Opportunity State





Atlantic County Department of Regional Planning and Development

Dennis Levinson
County Executive

December 23, 2002

Joseph M. Maher
Department Head

Division of Planning
609/645-5898 FAX: 609/645-
TDD: 348-6561

Division of Engineering
609/645-6638 FAX: 609/645-5

Office of GIS

Mr James A. Spratt, PE
Consulting Engineer Services
150 Delsea Drive
Suite 1
Sewell, N.J. 08080

RECEIVED

DEC 26 2002

Consulting Engineer Services

RE: English Mill (Major Subdivision)
Cost Estimate: ET-2-2002
Date of Estimate: 12/16/2002

Dear Mr. Spratt:

The cost estimate in the amount of \$191,087.60 has been considered and is :

XXXX APPROVED: A performance guarantee is now required. This can be in the form of a bond or letter of credit. A sample form is available through this office for the letter of credit. This has been created to assist you with this process. No cash or checks will be accepted.

EXEMPT: Since the cost estimate is for less than \$5,000 of improvements it is considered to be exempt from the performance guarantee requirement. Therefore, no performance guarantee is required.

DISAPPROVED: The cost estimate has been disapproved by the Division of Engineering. The following (See attached) has to be changed for the cost estimate to be acceptable:

If you have any questions regarding this matter, please call 645-5898.

Sincerely,

Brian Walters

Brian Walters, PP
Principal Planner

Att. No.	
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P.O. Box 719 • New Road and Dolphin Avenue • Northfield, New Jersey 08225-0719

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Enid L. Hyberg, Esq.
YOUNGBLOOD, CORCORAN, ALELI, LAFFERTY,
STACKHOUSE, GROSSMAN & GORMLEY, P.A.
3205 Fire Road
P.O. Box 850
Egg Harbor Township, NJ 08232
(609) 645-2201
Attorneys for Egg Harbor Township Planning Board

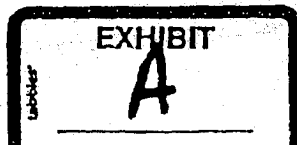
APPLICATION OF KENNETH STEVENS	:	TOWNSHIP OF EGG HARBOR
ASSOCIATES FOR FINAL SUBDIVISION	:	PLANNING BOARD
APPROVAL FOR BLOCK 5803, LOTS 54 AND	:	
56 FOR A PROJECT KNOWN AS "THE ARBORS	:	
AT WOOD HOLLOW"	:	APPLICATION NO. SDP 08-00
	:	
	:	DECISION AND RESOLUTION

THIS MATTER having been heard by the Planning Board of the Township of Egg Harbor on March 19, 2001, at a regularly scheduled meeting at the Township Hall of Egg Harbor Township and the Board having reviewed the application and plans as submitted and a quorum being present; and

WHEREAS, the Egg Harbor Township Planning Board has heard the testimony of Vincent Polistina, Planning Board Engineer and received his report dated February 13, 2001, attached hereto and made a part hereof; and

WHEREAS, the Egg Harbor Township Planning Board has reviewed the application submitted by the Applicant together with a Final Subdivision Plan prepared by Duffy, Dolcy & McManus dated August 16, 1999, last revised December 13, 2000; and

WHEREAS, the Egg Harbor Township Planning Board, based upon the exhibits submitted, the reports and testimony of the Planning Board



Engineer, and the testimony presented on behalf of the Applicant, makes the following findings of fact:

1. The Applicant is Kenneth Stevens Associates, Inc. with offices located at 1920 Frontage Road, Suite 107, Cherry Hill, New Jersey. At the time of the hearing, the Applicant was represented by Stephen Nehmad, Esquire of the law firm of Perskie, Nehmad and Perillo with offices located at 1125 Atlantic Avenue, Atlantic City, New Jersey 08401.

2. The Applicant has submitted a properly filed application, all required documents and has paid all required fees.

3. On November 20, 2000, the Egg Harbor Township Planning Board granted preliminary major subdivision approval to the Applicant to subdivide Block 5803, Lots 54 and 56 to create 39 lots, 36 of which will be used for single family dwellings, one (1) lot which will be used for a stormwater basin and two (2) lots to be transferred to the Township to remain undeveloped as open space.

4. At the time of the hearing, the Applicant requested checklist waivers from Item 2 requiring that the plans be drawn at a scale of not less than one (1) inch equals fifty (50) feet and Item 6 requiring that the names and address of the landowners within 200 feet be delineated on the plat. In support of the request for the waivers, the Applicant indicated that in order to show the entire subdivision on one plan, the scale must be greater than that as provided under the Ordinance. In support of the waiver from Item 6, the Applicant indicated that the information was provided at the time of preliminary approval. The Planning Board Engineer supported the checklist waivers.

5. Based upon the testimony submitted and the recommendation of the Planning Board Engineer, the Egg Harbor Township Planning Board grants the checklist waivers from Item 2 and Item 6.

6. The Applicant will comply with the conditions imposed at the time of preliminary major subdivision approval, to the extent not modified herein.

7. The Applicant testified that he will comply with all recommendations contained in the Engineer's report to the extent not modified herein.

NOW, THEREFORE, a motion having been made and approved by a vote of seven (7) in favor and none (0) opposed, the Egg Harbor Township Planning Board hereby grants the checklist waivers and by a vote of five (5) in favor and two (2) opposed, the Egg Harbor Township Planning Board hereby grants approval for the final major subdivision, subject to the following terms and conditions:

A. The Applicant complying with the review comments of the Township Engineer in his report, to the extent not modified herein.

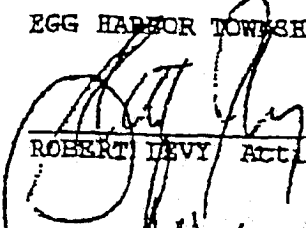
B. Agreement by the Applicant to specific items not contained within this Decision and Resolution, but which are otherwise set forth in the application, or which are contained in the record of the hearing of this application, are adopted by reference, even though not set forth herein at length.

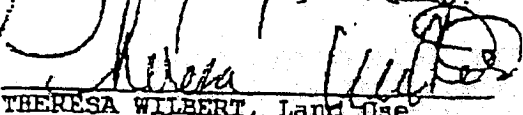
C. The approval granted herein is contingent upon the Applicant receiving the approval of any and all governmental agencies having jurisdiction.

D. All conditions of this Decision and Resolution shall be enforceable unless otherwise waived by the Planning Board by the

withholding of building permits and/or certificates of occupancy or by any other remedy available at law or in equity.

EGG HARBOR TOWNSHIP PLANNING BOARD


ROBERT LEVY, Acting Chairman


THERESA WILBERT, Land Use
Administrator

Dated:

4-16-01

RE: Kenneth Stevens Associates
Application No. SD-08-00

VOTING IN FAVOR OF THE
CHECKLIST WAIVERS:

ABSTENTIONS:

OPPOSED:

Eykyn
Flipping
Garth
Levy
Reed
Saslav
Sutton

VOTING IN FAVOR OF THE
CONDITIONAL FINAL MAJOR
SUBDIVISION APPROVAL:

ABSTENTIONS:

OPPOSED:

Eykyn
Flipping
Garth

Saslav
Sutton

Levy
Reed

SECOND 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
700 East Gate Drive, Suite 110
Mt. Laurel, New Jersey 08054
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 SECOND 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 SECOND 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
EFFECTIVE DATE OF SECOND AMENDMENT: April 6, 2009
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 246 Homes in Phase I (273 Homes) including amenities, Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy**
9. **First Amendment to Deposit Escrow Agreement, and Change Order No. 3; and Second Amendment to Deposit Escrow Agreement, and Decrease Penalty Rider (aka Change Order No. 4).**

SECOND 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, and as previously amended by the First Amendment to the Public Offering Statement (collectively the "Plan"), as set forth herein.

1. Section 6. of the text of the Plan captioned "BUDGET" is amended and supplemented by the addition of the following paragraph after the first paragraph of that Section:

"Proposed operating budgets based upon Phase I consisting of 273 Homes, and Full Occupancy consisting of 397 Homes have been included as part of the Plan. As of the date of this Second Amendment to the Public Offering Statement, the Developer projects that 246 Homes and the common amenities will be completed during the 2009 fiscal year of the Association. Accordingly, the Developer is supplementing the budgets previously included in the Plan to include the proposed operating budget, based upon the proposed completion of 246 Homes and the common amenities, under which the Community will operate during 2009."

2. Exhibit 2 to the Public Offering Statement, as amended by the First Amendment 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 supplemented by Exhibit 2 captioned "Proposed Operating Budget based on 246 Units in Phase I with amenities, Estimated Common Expense Assessments and Letters of Budget and Insurance Adequacy" appended to this Second Amendment to the Public Offering Statement.

3. Exhibit 9 to the Public Offering Statement captioned "Down Payment Bond and Deposit Escrow Agreement" is amended by the First Amendment to Deposit Escrow Agreement, to which is appended Change Order No. 3, and the Second Amendment to Deposit Agreement, to which is appended the Decrease Penalty Rider (aka Change Rider No.4). As a result of the changes to the Down Payment Bond effectuated by the Change Riders, as of the date of this Second Amendment to the Public Offering Statement, the amount of the Down Payment Bond is \$400,000.00. As of the date of this Second Amendment to the Public Offering Statement, no

deposits or money paid under any contracts for the sale of homes in the Developments under the Down Payment Bond, as amended, exceed \$400,000.

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 246 Homes in Phase I (273 Homes) including amenities,
and Full Occupancy (397 Homes), Estimated Common Expense Assessments, and
Letters of Budget and Insurance Adequacy**

• NEW YORK CITY, New York
212-634-8900
212-634-3944 Fax

• BROOKLYN, New York
718-332-0777
718-332-2858 Fax

• HACKENSACK, New Jersey
201-525-2600
201-525-2601 Fax

• LAWRENCEVILLE, New Jersey
609-895-9434
609-895-9430 Fax

• BARRINGTON, New Jersey
856-546-7711
856-546-2819 Fax

• JERSEY CITY, New Jersey
201-963-3411
201-222-9911 Fax

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

• WILMINGTON, Delaware
302-998-2115
302-998-2335 Fax

• FAIRFAX, Virginia
703-385-1133
703-591-5785 Fax

• WASHINGTON, D.C.
540-288-4434
703-591-5785 Fax

• STATEN ISLAND, New York
718-761-2222
718-761-2182 Fax

• PHILADELPHIA, PENNSYLVANIA
215-232-9741
215-232-2187 Fax



Building Futures
WENTWORTH GROUP

- Wentworth Property Management Corp
- Cooper Square Realty
- Armstrong Management Services
- First Service Financial
- Worthmore Construction & Maintenance Company, Inc.
- Wentworth Realty, Inc.
- Worthington Insurance

January 14, 2009

Mitchell Newman
D.R. Horton, Inc. - New Jersey
NJ/PA Division
700 East Gate Drive, Ste 110
Mt. Laurel, NJ 08054-3810

RE: Village Grande at English Mill - 246 Units

Dear Mr. Newman:

We have prepared the estimated budget for the Village Grande at English Mill Homeowners Association, 246 units, at anticipated 2009 costs, for inclusion in the Public Offering Statement.

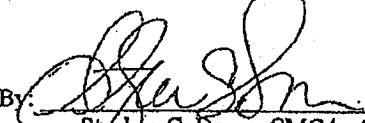
It is our opinion, based on our prior experience in managing similar communities, proposals received from contractors, and information received from the sponsor, that the budgeted operating estimate is reasonable and adequate under existing circumstances and the estimated receipts shown will be sufficient 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



100 Highway 36 • Suite 1A • West Long Branch, New Jersey 07764 • 732-728-9690 • Fax: 732-728-2290

Village Grande at English Mill
2009 Budget
Page 1

ACCOUNT DESCRIPTION
\$189.00 per home, per month

Total

OPERATING INCOME

ASSOCIATION FEES	\$	525,798.00
LATE FEE INCOME	\$	1,050.00
LEGAL INCOME	\$	50.00
FINES / VIOLATIONS	\$	150.00
NSF CHARGES	\$	35.00
OTHER INCOME	\$	335.00
INITIATION FEE	\$	-
DEVELOPER CONTRIBUTION	\$	53,000.00
GROSS OPERATING INCOME	\$	580,418.00

OPERATING EXPENSES

GENERAL MAINTENANCE & REPAIR

COMMON AREA EXTERMINATING	\$	500.00
MAINTENANCE SUPPLIES	\$	500.00
SUB-CONTRACTOR MAINTENANCE	\$	-
LAKE MAINTENANCE	\$	1,000.00
TOTAL GENERAL MAINTENANCE & REPAIR	\$	2,000.00

GROUNDS MAINTENANCE

LANDSCAPING MAINTENANCE - CA	\$	157,520.00
LANDSCAPING ADD'L FERTILIZATION	\$	15,000.00
LANDSCAPING IMPROVEMENTS	\$	2,167.28
IRRIGATION WATER	\$	85,000.00
SNOW & ICE REMOVAL	\$	45,000.00
COMMON AREA LIGHTING	\$	9,000.00
GEESE CONTROL	\$	1,000.00
TOTAL GROUNDS MAINTENANCE	\$	314,687.28

CLUBHOUSE

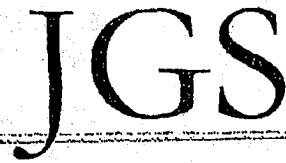
CLUBHOUSE MAINTENANCE	\$	3,483.33
C/H SUPPLIES	\$	458.33
C/H CABLE TV	\$	916.67
C/H INTERNET SERVICE	\$	916.67
C/H TRASH REMOVAL	\$	916.67
C/H ELECTRICITY	\$	14,666.67
C/H GAS	\$	11,000.00
C/H SEWER	\$	4,583.33
C/H WATER	\$	5,500.00
C/H HVAC MAINTENANCE	\$	1,375.00
C/H CLEANING SERVICE	\$	14,666.67
C/H WINDOW CLEANING	\$	458.33
C/H EXTERMINATING	\$	916.67
C/H REPAIRS & SUPPLIES	\$	916.67
C/H JANITORIAL SUPPLIES	\$	1,833.33
C/H SECURITY SYSTEM	\$	916.67
C/H EQUIPMENT MAINTENANCE	\$	916.67
LOBBY MAINTENANCE	\$	458.33
C/H FIRE & SAFETY	\$	916.67
C/H TELEPHONE	\$	2,750.00
C/H RECREATION	\$	916.67
PARKING LOT MAINTENANCE	\$	200.00
POOL MNT/RPR - INDOOR	\$	1,833.33
POOL MNT/RPR - OUTDOOR	\$	916.67
POOL MANAGEMENT	\$	45,000.00

Village Grande at English Mill

2009 Budget

Page 2

RECREATION / ENTERTAINMENT	\$	458.33
BOCCI / SHUFFLEBOARD	\$	916.67
TOTAL CLUBHOUSE	\$	118,808.33
PAYROLL & BENEFITS		
ONSITE STAFF P/R	\$	32,950.00
TOTAL PAYROLL & BENEFITS	\$	32,950.00
TAXES & INSURANCE		
FEDERAL TAXES	\$	100.00
PROPERTY/LIAB INSURANCE	\$	15,000.00
INSURANCE-UMBRELLA	\$	2,000.00
WORKMEN'S COMPENSATION	\$	800.00
TOTAL TAXES & INSURANCE	\$	17,900.00
ADMINISTRATIVE & OTHER EXPENSES		
OFFICE SUPPLIES	\$	2,500.00
OFFICE EQUIPMENT	\$	500.00
POSTAGE & SHIPPING	\$	-
PRINTING & POSTAGE	\$	2,500.00
POSTAGE MACHINE RENTAL	\$	-
BANK FEES	\$	240.00
COUPON BOOKS	\$	1,050.00
SOCIAL COMMITTEE	\$	300.00
PETTY CASH	\$	-
CAI MEMBERSHIP	\$	250.00
MISCELLANEOUS EXPENSE	\$	-
TOTAL ADMINISTRATIVE & OTHER EXPENSE	\$	7,340.00
PROFESSIONAL SERVICES		
MANAGEMENT FEES	\$	31,188.00
LEGAL GENERAL	\$	1,500.00
LEGAL COLLECTIONS	\$	1,000.00
ACCOUNTING/AUDIT	\$	2,000.00
TOTAL PROFESSIONAL SERVICES	\$	35,688.00
TOTAL OPERATING EXPENSES	\$	529,373.61
RESERVE EXPENSE		
RESERVES DRIVEWAYS	\$	15,356.00
RESERVES REPAIR & REPLACEMENT	\$	-
RESERVES SERVICE WALKS	\$	7,601.00
RESERVES SIDEWALK RESERVE	\$	10,547.90
ASPHALT	\$	2,273.43
ASPHALT SEALCOATING	\$	1,351.06
C/H RESERVES	\$	3,135.00
POOL DECK	\$	1,650.00
POOL FENCE	\$	275.00
POOL FILTERS	\$	550.00
POOL FURNITURE	\$	1,100.00
TENNIS COURT RESERVES	\$	2,750.00
TENNIS COURT FENCE	\$	440.00
SWIMMING POOL RESERVES	\$	3,300.00
RESERVES WALKING PATH	\$	715.00
TOTAL RESERVE EXPENSE	\$	51,044.39
TOTAL EXPENSE	\$	580,418.00
NET INCOME / (LOSS)	\$	(0.00)



December 31, 2008

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

Insurance

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

RE: Letter of Adequacy
Village Grande at English Mill HOA
Homeowners Association
Phase I - 246 units and Clubhouse with Contents

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:

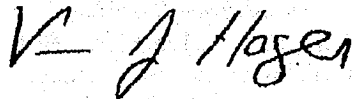
1. **PROPERTY** - Coverage would be written on a blanket basis, covering the clubhouse, fencing, light fixtures, pool, recreational facilities, and personal property owned by the Association. Coverage provided under the policy would on special causes of loss perils basis including Replacement Cost, and Agreed Amount. All property would be subject to a minimum policy deductible of \$1,000 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 \$400,000.
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 be 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



Vincent J. Hager, CIRMS
President

VILLAGE GRANDE AT ENGLISH MILL

PHASE I

**246 UNITS INCLUDING
CLUBHOUSE AND CONTENTS**

INSURANCE PREMIUM ESTIMATE

VALUES AS OF DECEMBER 2008

COVERAGE	AMOUNT	PREMIUM
1. Property Insurance Clubhouse and contents – 100% Insurable Value 246 Single family units	\$1,500,000	\$11,660
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	\$2,472
4. Umbrella Liability	\$15,000,000	\$2,085
5. Hired and Non-Owned Auto	\$1,000,000	Included
6. Comprehensive Crime	\$400,000	\$707
7. Workers Compensation	Statutory	\$876
8. Boiler and Machinery	\$1,500,000	Included
Total Estimated Annual Premiums:		\$17,800

The premium estimates above are based on rates in effect in December 2008. 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.

EXHIBIT 9

**First Amendment to Deposit Escrow Agreement, and Change Order No. 3; and
Second Amendment to Deposit Escrow Agreement, and Decrease Penalty Rider
(aka Change Order No. 4)**

FIRST AMENDMENT TO DEPOSIT ESCROW AGREEMENT

THIS FIRST AMENDMENT TO DEPOSIT ESCROW AGREEMENT made this 7th day of Jan., 2008, by and between D.R. Horton, Inc. - New Jersey, a Delaware Corporation (hereinafter referred to as the "Developer") and Title America Agency Corporation (hereinafter referred to as the "Escrow Agent").

WITNESSETH:

WHEREAS, the Developer and the Escrow Agent entered into a certain Deposit Escrow Agreement dated July 25, 2003, which was amended by a certain Deposit Escrow Agreement Rider dated July 1, 2004 (collectively, hereinafter referred to as the "Deposit Escrow Agreement") pursuant to the Regulations issued pursuant to the Planned Real Estate Development Full Disclosure Act of the State of New Jersey (N.J.S.A. 45:22A-21 et seq. and N.J.A.C. 5:26-1.1 et seq.) relative to the release of deposits or money paid under a contract or agreement;

WHEREAS, in The Village Grande at Little Mill; The Grande at Rancocas Creek Townhomes; The Village Grande at Kings Woods; The Grande at Kings Woods, a Condominium; The Village Grande at English Mill; The Village Grande at Camelot; and The Plaza Grande at Garden State Park (collectively, referred to herein as the "Developments") are subject to the bond coverage discussed in the Down Payment Bond;

WHEREAS, the Deposit Escrow Agreement references the Down Payment Bond of Fidelity and Deposit Company of Maryland, as amended, in the amount of \$4,000,000.00;

WHEREAS, the Down Payment Bond has been further amended by Change Rider No. 3 dated January 4, 2008 to decrease the bond amount to \$1,000,000.00; and

WHEREAS, the Developer wishes to amend the Deposit Escrow Agreement to reflect the amount of the Down Payment Bond amount as \$1,000,000.00, and such other terms in Change Rider No. 3 to the Down Payment Bond.

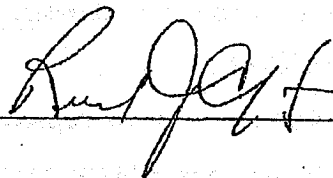
NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Attached to and made a part of this First Amendment to Escrow Agreement is Fidelity and Deposit Company of Maryland Change Rider No. 3 dated January 4, 2008.
2. As of January 4, 2008, The Village Grande at Little Mill; The Grande at Rancocas Creek Townhomes; The Village Grande at Kings Woods; and The Grande at Kings Woods, a Condominium are deleted from the Developments subject to the Down Payment Bond, as amended.
3. As of January 4, 2008, The Village Grande at English Mill; The Village Grande at Camelot; and The Plaza Grande at Garden State Park shall be the only developments for which the Down Payment Bond, as amended, affords coverage;
4. The Developer represents that the deposits or money paid under a contract or agreement in the Developments do not exceed the amount \$1,000,000.00.

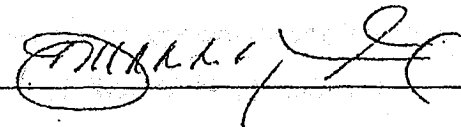
Except as amended by this First Amendment to Escrow Agreement, the terms of the Escrow Agreement shall remain as stated.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to this First Amendment to the Escrow Agreement the date above stated.

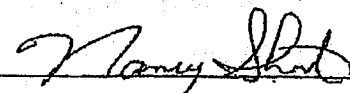
WITNESS:




TITLE AMERICA AGENCY, CORP.,
Escrow Agent

By: 

WITNESS:



D.R. HORTON, INC. - NEW JERSEY

By: 
_____ *Mitchell Newman, Sr. V.P.*

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

CHANGE RIDER NO. 3

~~To be attached to and form part of Bond No. 08714206~~

Issued to (Principal): DR Horton, Inc. - New Jersey

Type of Bond: Down Payment Bond

dated the 23rd day of July, 2003, and issued by Fidelity and Deposit Company of Maryland in the penal sum of: Four Million and 00/100 (\$4,000,000.00) and in favor of (Obligee): Title America Agency Corp

In consideration of the agreed premium charged for this bond, it is understood and agreed that Fidelity and Deposit Company of Maryland consents that effective the 2nd day of January, 2008 said bond shall be amended as follows (see the revised Exhibit "A" attached):

(1) Delete the following projects from the bond:

- The Village Grande at Little Mill, Egg Harbor Township, Atlantic County, New Jersey
- The Village Grande at Rancocas Creek Townhomes, Delran Township, Burlington County, New Jersey
- The Village Grande at Kings Woods, West Deptford Township, Gloucester County, New Jersey
- The Grande Kings Woods, a Condominium, West Deptford Township, Gloucester County, New Jersey

(2) Decrease the bond amount of the bond:

FROM: Four Million and 00/100 Dollars (\$4,000,000.00)

BY: Three Million and 00/100 Dollars (\$3,000,000.00)

TO: One Million and 00/100 Dollars (\$1,000,000.00)

Provided, however that the attached bond shall be subject to all its agreements, limitations and conditions except herein expressly modified, and further that the liability of the Surety under the attached bond and the bond as amended by this rider shall not be cumulative.

Signed, sealed and dated this 4th day of January, 2008.

DR Horton, Inc. - New Jersey

By: 

Mitchell Neaman, Sr. V. Pres.

Fidelity and Deposit Company of Maryland

By: 

M.L. Gray, Attorney-in-Fact

c/o Willis of Florida
3000 Bayport Dr., Ste. 300
Tampa, FL 33607
Inquiries: (813) 281-2095

**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by M. P. HAMMOND, Vice President, and GERALD F. HALEY, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint James W. DUNN, David H. CARR, Carol H. HERMES, Anett CARDINALE, M.L. GRAY, Margaret A. GINEM, Linda HORN and Denise TAYLOR, all of Tampa, Florida, each its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of James W. DUNN, David H. CARR, Anett CARDINALE, M.L. GRAY, Pamela L. MORGAN, Margaret A. GINEM, Linda HORN, Denise TAYLOR, dated March 6, 2007.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 10th day of August, A.D. 2007.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



Gerald F. Haley

By:

M. P. Hammond

Gerald F. Haley Assistant Secretary M. P. Hammond Vice President

State of Maryland }
City of Baltimore } ss:

On this 10th day of August, A.D. 2007, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came M. P. HAMMOND, Vice President, and GERALD F. HALEY, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Dennis R. Hayden

Dennis R. Hayden Notary Public
My Commission Expires: February 1, 2009

Exhibit "A"

Bond #08714206

Down Payment Bond

(Revised 01/04/2008)

- **The Village Grande at English Mill, Egg Harbor Township, Atlantic County, New Jersey**
- **The Village Grande at Camelot, Glassboro Borough and Elk Township, Gloucester County, New Jersey**
- **The Plaza Grande at Garden State Park, Cherry Hill Township, Camden County, New Jersey**

SECOND AMENDMENT TO DEPOSIT ESCROW AGREEMENT

THIS SECOND AMENDMENT TO DEPOSIT ESCROW AGREEMENT made this 20 day of January, 2009, by and between D.R. Horton, Inc. - New Jersey, a Delaware Corporation (hereinafter referred to as the "Developer") and Title America Agency Corporation (hereinafter referred to as the "Escrow Agent").

WITNESSETH:

WHEREAS, the Developer and the Escrow Agent entered into a certain Deposit Escrow Agreement dated July 25, 2003, which was amended by a certain First Amendment to Deposit Escrow Agreement dated January 7, 2008 (collectively, hereinafter referred to as the "Deposit Escrow Agreement") pursuant to the Regulations issued pursuant to the Planned Real Estate Development Full Disclosure Act of the State of New Jersey (N.J.S.A. 45:22A-21 et seq. and N.J.A.C. 5:26-1.1 et seq.) relative to the release of deposits or money paid under a contract or agreement;

WHEREAS, The Village Grande at English Mill; The Village Grande at Camelot; and The Plaza Grande at Garden State Park (collectively, referred to herein as the "Developments") are currently the only developments subject to the bond coverage discussed in the Down Payment Bond;

WHEREAS, the Deposit Escrow Agreement references the Down Payment Bond of Fidelity and Deposit Company of Maryland, as amended, in the amount of \$1,000,000.00;

WHEREAS, the Down Payment Bond has been further amended by Decrease Penalty Rider (aka Change Rider No. 4) dated December 12, 2008 to decrease the bond amount to \$400,000.00; and

WHEREAS, the Developer wishes to amend the Deposit Escrow Agreement to reflect the amount of the Down Payment Bond amount as \$400,000.00, and such other terms in Decrease Penalty Rider (aka Change Rider No. 4) to the Down Payment Bond.

NOW, THEREFORE, the parties hereto hereby agree as follows:

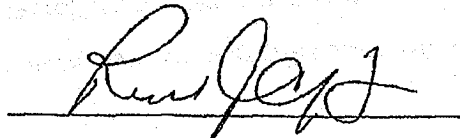
1. Attached to and made a part of this Second Amendment to Escrow Agreement is

Fidelity and Deposit Company of Maryland Decrease Penalty Rider (aka Change Rider No. 4) dated December 12, 2008.
2. As of December 12, 2008, The Village Grande at English Mill; The Village Grande at Camelot; and The Plaza Grande at Garden State Park shall be the only developments for which the Down Payment Bond, as amended, affords coverage;
3. The Developer represents that the deposits or money paid under a contract or agreement in the Developments do not exceed the amount \$400,000.00.

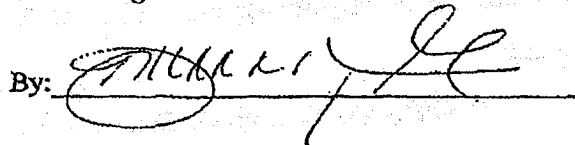
Except as amended by this First Amendment to Escrow Agreement, the terms of the Escrow Agreement shall remain as stated.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to this Amendment to the Escrow Agreement the date above stated.

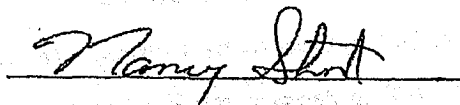
WITNESS:



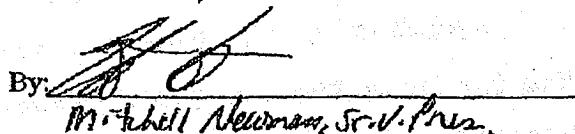
TITLE AMERICA AGENCY, CORP.,
Escrow Agent

By: 

WITNESS:



D.R. HORTON, INC. - NEW JERSEY

By: 
Michael Newman, Sr. V. Pres.

Change Rider No. 4

Decrease PENALTY RIDER

BOND AMOUNT \$1,000,000.00 BOND NO. 08714206 PREMIUM \$15,000.00

To be attached and form a part of Bond No. 08714206 dated the 23rd day of July, 2003, executed by Fidelity and Deposit Company of Maryland as surety, on behalf of D.R. Horton, Inc. - New Jersey as current principal of record, and in favor of Title America Agency Corp. as Obligee, and in the amount of One Million Dollars and 00/100 (\$1,000,000.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that Fidelity and Deposit Company of Maryland hereby consents that effective from the 12th day of December, 2008, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE Decreased:

FROM: One Million Dollars and 00/100 (\$1,000,000.00)

TO: Four Hundred Thousand Dollars and 00/100 (\$400,000.00)

The Decrease of said bond penalty shall be effective as of the 12th day of December, 2008, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

Signed, sealed and dated this 12th day of December, 2008.

D.R. Horton, Inc. - New Jersey

PRINCIPAL

BY:

Mitchell Newman, Sr. Vice President

Fidelity and Deposit Company of Maryland

SURETY

BY:

Linda Horn, Attorney-in-Fact

C/O WILLIS HRH
3000 BAYPORT DRIVE, #300
TAMPA, FL 33607
INQUIRIES: (813) 281-2095

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint James W. DUNN, David H. CARR, Carol H. HERMES, Anett CARDINALE, Margaret A. GINEM, Linda HORN and Denise TAYLOR, all of Tampa, Florida, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as such and need any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of James W. DUNN, David H. CARR, Carol H. HERMES, Anett CARDINALE, M.L. GRAY, Margaret A. GINEM, Linda HORN, Denise TAYLOR, dated August 10, 2007.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 3rd day of March, A.D. 2008.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



Eric D. Barnes

Eric D. Barnes

Assistant Secretary

Frank E. Martin Jr.

By:

Frank E. Martin Jr.

Vice President

State of Maryland } ss:
City of Baltimore }

On this 3rd day of March, A.D. 2008, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Maria D. Adamski

Maria D. Adamski

Notary Public

My Commission Expires: July 8, 2011

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to ~~authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations,~~ policies, contracts, agreements, deeds, and releases and assignments of judgments, decrees, mortgages and instruments in the nature of mortgages, and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 12th day of December, 2008.

Donald F. Huley

Assistant Secretary

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:

<u>Section</u>	<u>Number of Homes</u>	<u>Estimated Completion Date</u>
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
212-697-8852
212-697-8225 Fax
- LAWRENCEVILLE, New Jersey
800-858-2626
609-928-9533 Fax
- VALLEY FORGE, Pennsylvania
610-650-0600
610-650-0700 Fax
- HACKENSACK, New Jersey
201-323-1800
201-323-2601 Fax
- BROOKLYN, New York
718-308-0777
718-302-2958 Fax
- WEST LONG BRANCH, New Jersey
732-728-7600
732-728-2290 Fax
- FAIRFAX, Virginia
703-845-1133
703-571-8785 Fax
- WILMINGTON, Delaware
302-322-6105
302-322-5710 Fax



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.

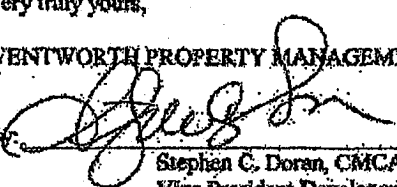
It is our opinion, based on our prior experience in managing similar communities, proposals received from contractors, and information received from the sponsor, that the budgeted operating estimate is reasonable and adequate under existing circumstances and the estimated receipts shown will be sufficient 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



WENTWORTH PROPERTY MANAGEMENT

Barrington Office: 208 White Horse Pike • Suite 5 • Barrington, NJ 08007 • 856-546-7711 • 856-546-2819 FAX



- NEW YORK CITY, New York
212-697-8282
212-697-8225 Fax
- LARKENSVILLE, New Jersey
609-695-9035
609-695-9030 Fax
- VALLEY FORGE, Pennsylvania
610-650-0000
610-650-0700 Fax
- HADDONSBORO, New Jersey
908-525-0200
908-525-0201 Fax
- BROOKLYN, New York
718-332-0777
718-332-2658 Fax
- WEST LONG BRANCH, New Jersey
732-728-9890
732-728-7290 Fax
- FAIRFAX, Virginia
703-365-1133
703-361-5785 Fax
- WILMINGTON, Delaware
302-322-8135
302-322-8740 Fax



WENTWORTH GROUP

REAL ESTATE SERVICES

- Wentworth Property Management Corp.
- Wentworth Property Management of New Jersey, Inc.
- Wentworth Construction & Maintenance Company, Inc.
- Wentworth Realty, Inc.
- Wentworth 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 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.

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



WENTWORTH PROPERTY MANAGEMENT

Barrington Office: 208 White Horse Pike • Suite 5 • Barrington, NJ 08007 • 856-546-7711 • 856-546-2819 FAX



• NEW YORK CITY, New York
212-697-9282
212-697-8225 Fax

• BROOKLYN, New York
718-332-6777
718-332-2858 Fax

• LAWRENCEVILLE, New Jersey
609-895-5035
609-895-9680 Fax

• VALLEY Forge, Pennsylvania
610-480-0400
610-480-4700 Fax

• HADDONSBORO, New Jersey
201-325-2500
201-325-2501 Fax

• WEST LONG BRANCH, New Jersey
732-735-0600
732-735-2290 Fax

• FARMVAX, Virginia
703-385-1133
703-591-5765 Fax

• WILMINGTON, Delaware
302-322-8135
302-322-5710 Fax



WENTWORTH GROUP

REAL ESTATE SERVICES

• Wentworth Property Management Corp.
• Wentworth Property Management of New Jersey, Inc.
• Wentworth Construction & Maintenance Company, Inc.
• Wentworth Realty, Inc.
• Wilmington Heritage Lodging
• Community Association Funding Company (CAFOD)

November 9, 2007

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

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

Dear Madam:

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.

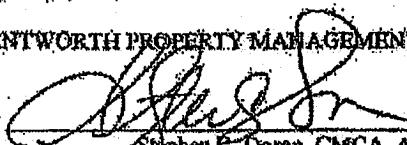
Because of the possibility of unforeseen changes in the economy or increases or decreases in the expenses of operation, our estimates are not intended, and cannot be taken, as representation, guarantees or warranties of any kind whatsoever, nor as any assurance that the actual expense or income of the 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 E. Doran, CMCA, AMS, PCAM
Vice President Developer Services



WENTWORTH PROPERTY MANAGEMENT

Barrington Office: 208 White Horse Pike • Suite 5 • Barrington, NJ 08007 • 856-546-7711 • 856-546-2819 FAX





Insurance

October 24, 2007

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

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

**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:

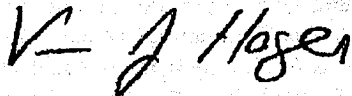
1. **PROPERTY** – Coverage would be written on a blanket basis, covering the clubhouse, fencing, light fixtures, pool, recreational facilities, and personal property owned by the Association. Coverage provided under the policy would on special causes of loss perils basis including Replacement Cost, and 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 be 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



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 HOMEOWNERS ASSOCIATION			PROPOSED FIRST YEAR GENERAL BUDGET PHASE ONE (270 Units - No 2 buildings) 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					
MONTHLY UNIT RATE					

THE VILLAGE GRANDE AT ENGLISH MILE		
HOMEOWNERS ASSOCIATION		
PROPOSED FIRST YEAR GENERAL BUDGET		
PHASE ONE 2/4 Units with 606 Units		
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, stationery, 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

MONTHLY UNIT RATE

THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION		
PROPOSED FIRST YEAR GENERAL BUDGET		
FULL BUILD OUT 197 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, stationery, 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	\$ 5,600.00
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		
MONTHLY MAINTENANCE RATE		\$ 7,175.00

PUBLIC OFFERING STATEMENT

FOR

THE VILLAGE GRANDE AT ENGLISH MILL

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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.

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
530 SOUTH EAST ASIAN AVENUE
CHICAGO, ILLINOIS 60607
TEL: 773-936-5000
FAX: 773-936-5000

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:

<u>Section</u>	<u>Number of Homes</u>	<u>Estimated Completion Date</u>
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:

	<u>TAX RATIO</u>	<u>TAX RATE PER \$100 OF ASSESSED VALUE</u>
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:

<u>ESTIMATED INITIAL BASE SALES PRICE</u>	<u>ESTIMATED ANNUAL REAL ESTATE TAXES</u>
\$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

EXHIBIT 1

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

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DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
THE VILLAGE GRANDE AT ENGLISH MILL

Prepared by: _____
Christine F. Li, Esq.

RECORD AND RETURN TO:

GREENBAUM, ROWE, SMITH & DAVIS, LLP
Attention: Christine F. Li, Esq.
P.O. Box 5600
Woodbridge, New Jersey 07095

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DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
THE VILLAGE GRANDE AT ENGLISH MILL

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LIST OF EXHIBITS

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The Village Grande at English Mill
- EXHIBIT A-1 - Legal (Metes and Bounds) Description of Phase I
- EXHIBIT B - Subdivision Plat 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

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DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

THE VILLAGE GRANDE AT ENGLISH MILL

THIS DECLARATION is made this _____ day of _____, 2004, by D.R. Horton, Inc. - New Jersey, a Delaware corporation, having an office located at 20 Gibson Place, Freehold, New Jersey 07728 (hereinafter referred to as the "Developer").

WHEREAS, the Developer is the owner of the fee simple title to certain real property in the Township of Egg Harbor, County of Atlantic and State of New Jersey consisting of approximately 173.87 acres of land, being more particularly described by a metes and bounds description appended hereto as Exhibit "A" and more particularly shown on a 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"), appended hereto as Exhibit "B" (the "Entire Tract");

WHEREAS, the Developer intends, and reserves the right, but is not obligated to create thereon a planned unit development intended for occupancy by persons 55 years of age or older, which is intended to ultimately consist of up to three hundred ninety-seven (397) detached single family dwellings to be located on

three hundred ninety-seven (397) residential lots (collectively, the "Homes") and certain Common Property, to be known as The Village Grande at English Mill (hereinafter the "Community") and as hereinafter defined; and

WHEREAS, in order to establish and preserve the character of The Village Grande at English Mill as a high quality adult community, the Developer is desirous of imposing a general scheme of restrictions covering said lands and premises of the Community for the protection and benefit of the Developer, its successors and assigns, the Community, and each and every owner of any and all portions thereof;

WHEREAS, the Developer proposes to develop the Property in two (2) phases (hereinafter "Phases");

WHEREAS, the first Phase ("Phase I") is intended to include or will include a total of two hundred fifty-three (253) Homes situated with Phase I of the Community, together with certain parking areas, driveways, walkways, clubhouse, two (2) swimming pools, two (2) tennis courts, a bocci court, an artificial putting green, circuit training path and other improvements more particularly described on Exhibit "A-1" and shown on the a plan entitled "Exhibit Plan for Phase I, 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 "Phase I Plan"), appended hereto as Exhibit "B-1";

WHEREAS, the Developer can exercise its right to incorporate additional Sections into the Community by the recordation in the office of the Atlantic County Clerk of one or more Amendments and Supplements to this Declaration;

WHEREAS, the Developer has established or is about to establish The Village Grande at English Mill Homeowners Association, Inc., a New Jersey not-for-profit corporation, as the association assigned the power and authority to maintain and administer the Common Property and certain other portions of the Community, to administer and enforce the covenants and restrictions governing the Community, and to collect and disburse all assessments and charges necessary for such maintenance, administration, and enforcement, which are hereinafter more fully described;

WHEREAS, all Owners of Homes in the Community will automatically be members of the Association and be subject to this Declaration; the Certificate of Incorporation; and By-Laws and Rules and Regulations of the Association (the "Governing Documents");

NOW THEREFORE, Developer declares that all such portions of the Property described in Exhibit "A-1" and shown on Exhibit "B-1" aforesaid shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the covenants, restrictions, conditions, easements, charges, assessments, obligations, and liens hereinafter set forth and to the provisions of the Governing Documents.

ARTICLE I

DEFINITIONS

1.01.General. The following words and terms, when used in this Declaration, the Certificate of Incorporation, the By-Laws and/or the Rules and Regulations shall have the following meanings, unless the context in which same are utilized clearly indicates otherwise.

1.02."Affiliate" of the Developer shall mean and refer to any entity which controls, is controlled by, or is under common control with the Developer. An entity "controls" the Developer if the entity (i) is a general partner, officer, director, or employer of the Developer, (ii) directly or indirectly or acting in concert with one or more other entities, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than twenty (20%) percent of the voting interest in the Developer, (iii) controls in any manner the election of a majority of the directors of the Developer, or (iv) has contributed more than twenty (20%) percent of the capital of the Developer. An entity "is controlled by" the Developer if the Developer (i) is a general partner, officer, director, or employer of the entity, (ii) directly or indirectly or acting in concert with one or more other entities, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than twenty (20%) percent of the voting interest in the entity, (iii) controls in any manner the election of a majority of the directors of the entity, or (iv) has

contributed more than twenty (20%) percent of the capital of the entity. Control does not exist if the powers described in this section are held solely as security for an obligation and are not exercised.

1.03. "Amendment and Supplement" to the Declaration shall mean and refer to the documentary supplementation to this instrument permitted and required by Section 11.06 of this Declaration to be recorded in the Office of the Atlantic County Clerk in order to incorporate into the Community additional Homes and/or other improvements to be located in future Phases of the Community.

1.04. "Annual Common Expense Assessment" shall mean and refer to those assessments imposed upon the Owner(s) as described in Section 6.03 of this Declaration.

1.05. "Association" shall mean and refer to The Village Grande at English Mill Homeowners Association, Inc., a New Jersey not-for-profit corporation, its successors and assigns, which shall have the duties and powers established in the Governing Documents.

1.06. "Board" or "Board of Trustees" shall mean and refer to the Board of Trustees of the Association and any reference in the Governing Documents to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the Members of the Association, unless the context expressly indicates the contrary. In any reference herein to any power or duty, right of approval or any other right which may be delegated, "Board" shall mean the entity to which

such power or duty, right of approval or any other right has been delegated.

1.07. "By-Laws" shall mean and refer to the By-Laws of the Association, a copy of which is attached hereto as Exhibit "D", together with all future amendments and/or supplements thereto.

1.08. "Capital Improvement Common Expense Assessment" shall mean and refer to those assessments imposed upon the Owner(s) as described in Section 6.11 of this Declaration.

1.09. "Certificate of Incorporation" shall mean and refer to the Certificate of Incorporation of the Association, a copy of which is attached hereto as Exhibit "C", together with all future amendments and/or supplements thereto.

1.10. "Common Expenses" shall, subject to the provisions of Article VI hereof, mean and refer to all those expenses which are incurred or assessed by the Association in fulfilling its responsibilities.

1.11. "Common Property" shall mean and refer to the common lands and facilities to be provided within the Community for the use and enjoyment of all Owners in the Community, subject to such limitations and restrictions set forth herein and of record with the Atlantic County Clerk, which Common Property may but need not ultimately consist of the land within the Property on which the recreation facilities will be constructed, the landscaped grounds, sprinkler and irrigation system, drainage basin, parking areas, common driveways, common sidewalks and common open spaces interspersed throughout the Entire Tract.

1.12. "Declaration" shall mean and refer to this instrument together with all future amendments and supplements hereto which are recorded in the office of the Atlantic County Clerk.

1.13. "Developer" shall mean and refer to D.R. Horton, Inc. - New Jersey, a Delaware corporation, its successors and assigns, and includes any successor to the Developer contemplated by Article XI of this Declaration.

1.14. "Dwelling" shall mean and refer to the residential dwelling structure erected or to be erected upon a Lot and shall be deemed to include, mean and refer to any and all other improvements erected or to be erected upon a Lot and attendant and/or appurtenant to the residential dwelling structure as well as all other improvements erected within, upon, under, over and/or through a Lot, provided that none of the foregoing improvements, regardless of their location, have been established as Common Property pursuant to the express terms of this Declaration or are owned by a public or private utility entity and located within, upon, over or under a Lot by virtue of an easement declared for the benefit of such entity. When the term "Dwelling" is used, unless the context clearly indicates a contrary intent, it shall be deemed to refer to and mean solely the improvements erected or to be erected within, upon, under, over or through a Lot as aforesaid and shall not be deemed to refer to any other unimproved realty constituting the Lot.

1.15. "Eligible Mortgage Holder" shall mean and refer to any holder, insurer or guarantor of a First Mortgage which has

given written notice to the Association in the manner provided in Section 10.02 of this Declaration of its desire to have notice of those matters which are the subject of Sections 10.01 through 10.04 and 10.07 of this Declaration.

1.16. "Emergency Common Expense Assessment" shall mean and refer to those assessments imposed upon the Owner(s) as described in Section 6.09 of this Declaration.

1.17. "Entire Tract" shall mean and refer to the approximately 173.87 acres of land located in the Township of Egg Harbor, Atlantic County, New Jersey and more particularly described in Exhibit "A" attached hereto and made a part hereof.

1.18. "Fair Housing Act" shall mean and refer to Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, the Housing for Older Persons Act of 1995 and any subsequent amendments thereto.

1.19. "55 or Over Housing" shall mean and refer to housing intended and operated for occupancy by at least one person 55 years of age or older per unit meeting the requirements of the Fair Housing Act (Section 807(b)(2)(C)) and the related regulations of the Department of Housing and Urban Development.

1.20. "First Mortgage" shall mean and refer to the first or paramount Mortgage, the lien of which encumbers a Home.

1.21. "Future Phases" shall mean and refer to the portions into which the Entire Tract shall be divided for the purposes of development but inclusive of designated lots; streets and roads; sewer, water, electric, gas and cable television

transmission facilities; landscaping; street signs; drainage facilities; directional signs and monuments.

1.22. "Governing Documents" shall mean and refer to this Declaration and its exhibits, which the Developer has recorded or will record in the Office of the Atlantic County Clerk; the Certificate of Incorporation; and By-Laws and Rules and Regulations of the Association as same may hereafter be amended or supplemented.

1.23. "Home" shall mean and refer to any Lot and the Dwelling constructed or to be constructed thereon together with any and all other improvements constructed or to be constructed on the Lot which are attendant and/or appurtenant to such Dwelling and that are not expressly declared to be part of the Common Property pursuant to the terms of this Declaration.

1.24. "Institutional Lender" shall mean any bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund or other financial institution or governmental agency providing, acquiring, insuring, guaranteeing or proposing to provide, acquire, insure or guarantee Mortgages. It shall also mean and include the Federal National Mortgage Association (FNMA), the Veteran's Administration (VA), the Federal Home Loan Mortgage Corporation (FHLMC), and the Federal Housing Administration (FHA) and any other similar governmental or quasi-governmental entity that provides, acquires, insures or guarantees or proposes to provide, acquire, insure or guarantee Mortgages.

1.25. "Lease" shall mean any agreement for the leasing or rental of any Home located within the Entire Tract.

1.26. "Limited Common Expenses" shall mean Common Expenses, if any, for which some, but less than all, of the Owners are proportionately liable, including but not limited to those expenses which are declared to be Limited Common Expenses by the provisions of this Declaration or the By-Laws.

1.27. "Lot" shall mean and refer to a legally subdivided residential building lot established upon a portion of the Entire Tract by the filing of a subdivision plat in the Atlantic County Clerk's Office. When the term "Lot" is used, unless the context clearly indicates a contrary intent, it shall be deemed to refer to and mean solely the unimproved land and shall not be deemed to refer to or mean the Dwelling erected or to be erected thereon and/or any other attendant and/or appurtenant improvements erected or to be erected thereon.

1.28. "Member" shall mean all those Owners who are members of the Association as provided in Article V of the Certificate of Incorporation.

1.29. "Member in Good Standing" shall mean and refer to any Member who has, at least thirty (30) days prior to the date fixed for any meeting, vote, or other Association action, fully paid all installments due for Common Expense Assessments made or levied against him and his Home by the Board, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, chargeable to him and to his Home.

1.30. "Miscellaneous Assessments" shall mean and refer to those assessments imposed upon the Owner(s) as described in Section 6.15 of this Declaration.

1.31. "Mortgage" shall mean and refer to the duly recorded instrument and underlying obligation giving rise to a mortgage lien upon any Home.

1.32. "Mortgage Holder" shall mean and refer to the holder of record of a Mortgage or one who insures or guarantees any Permitted Mortgage.

1.33. "Owner" shall mean and refer to those persons or entities in whom record fee simple title to any Home is vested as shown in the records of the Office of the Atlantic County Clerk, including the Developer, unless the context expressly indicates otherwise, but, despite any applicable theory of mortgage, shall not mean or refer to any mortgagee or trustee under a deed of trust unless and until such mortgagee or trustee has acquired title to any such Home pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure, nor shall the term "Owner" refer to any lessee or tenant of an "Owner".

1.34. "Permitted Mortgage" shall mean and refer to any Mortgage that is held by an Institutional Lender or which is a purchase money First Mortgage held by the Developer or by the Seller of a Home. It shall also include any other Mortgage, the lien of which, by the express terms of the Mortgage, is subordinate to any and all existing or future Common Expense liens imposed against a Home by the Association. Any construction, permanent or other mortgage placed or assumed by

the Developer and encumbering all or any portion of the Property, including any individual Home, shall also be deemed a Permitted Mortgage, so long as same is expressly made subordinate to the Governing Documents and provides a mechanism for securing partial releases of individual Homes.

1.35. "Permitted Resident" shall mean and refer to any Owner or tenant, together with all family members of such Owner or tenant, and other persons permanently residing with such Owner or tenant but only if (i) all such persons have complied with all of the procedures, restrictions, rules, regulations, by-laws, covenants and conditions, both procedural and substantive, intended to enable the Developer and the Association to maintain the Community's character as "55 or Over Housing" for older persons; and (ii) no child under the age of 19 is residing or is intended to reside with such member or tenant.

1.36. "Property" shall mean and refer to the land and premises described and shown in Exhibits "A" and "B" respectively, together with land and premises shown on any final subdivision plats within the Entire Tract which may hereafter be lawfully subjected to the provisions of this Declaration or by any Amendment and Supplement hereto, pursuant to Section 2.02 hereof.

1.37. "Remedial Common Expense Assessment" shall mean and refer to those assessments imposed upon the Owner(s) as described in Section 6.14 of this Declaration.

1.38. "Rules and Regulations" shall mean and refer to those rules and regulations of the Association to be promulgated,

adopted, and published by the Association, together with all amendments or supplements thereto.

1.39. "Section" shall mean and refer to a portion of the Property within the Entire Tract or Property which the Developer has determined to develop as an independent legal phase and which has been established by the recordation of the Declaration or an Amendment and Supplement to the Declaration.

1.40. "Special Common Expense Assessments" shall mean and refer to those assessments imposed upon the Owner(s) as described in Section 6.10 of this Declaration.

ARTICLE II

GENERAL DESCRIPTION OF THE ENTIRE TRACT

2.01. The Entire Tract. The Entire Tract includes the lands described in Exhibit "A" aforesaid consisting of approximately 173.87 acres, as shown on Exhibit "B" of the Declaration, and any Future Section(s) to be subjected to the Declaration at the sole discretion of the Developer. The Entire Tract is located on Mill Road (County Route 662) in the Township of Egg Harbor, Atlantic County, New Jersey, and is planned to ultimately include a total of up to three hundred ninety-seven (397) Homes.

Phase I encompasses approximately 93.18 acres and is located in the southwestern portion of the Entire Tract. Two hundred fifty-three (253) Homes are planned to be constructed in Phase I. Recreational facilities planned for Phase I will include an approximately 10,000 square foot clubhouse with an

indoor lap pool, two tennis courts, one outdoor swimming pool, one (1) artificial putting green, and one (1) bocci ball court.

2.02. Procedure For Making Additional Phases and Homes Subject To The Declaration. The Developer may make additional Sections, Homes and other attendant site improvements within the Entire Tract subject to the Declaration by recording an Amendment and Supplement to the Declaration in the Atlantic County Clerk's office, pursuant to Section 11.06 of this Declaration. Such Amendment and Supplement may contain such complementary or supplemental additions and modifications of the covenants and restrictions contained in this Declaration and such other complementary and supplemental provisions as the Developer deems necessary.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION

3.01. The Community. Upon the recordation of this Declaration, the Community shall consist of all of the unimproved land legally described and graphically depicted, respectively, in Exhibits "A" and "B" hereof, consisting of approximately 173.87 acres, along with all improvements now in existence or hereafter constructed upon that portion of the aforesaid land identified as Phase I, as legally described on Exhibit "A-1" and/or graphically depicted on Exhibit "B-1", which property shall be held, transferred, sold, conveyed, leased and occupied subject to this Declaration and all amendments or supplements thereto.

3.02. Submission of Other Improvements. The Developer hereby reserves the right, without obligating itself, to develop all or less than all of the Entire Tract not within Phase I by constructing thereon additional Homes along with attendant site improvements and to incorporate such additional improvements as part of the Community as one or more Sections of same, such full development, as presently proposed, being graphically depicted on Exhibit "B". The incorporation of the aforesaid additional Homes and other improvements as part of the Community shall be by the recording of one or more Amendments and Supplements to this Declaration in the Atlantic County Clerk's Office pursuant to Sections 2.02 and 11.06 of this Declaration. All Homes and other improvements incorporated as herein provided as part of the Community shall be deemed a part of the Community and all references to the Community in this Declaration, the Certificate of Incorporation and/or the By-Laws shall be understood to include such Homes and other improvements once same are incorporated.

The right, but not the obligation, of the Developer to subject to this Declaration additional improvements within the Community by way of an Amendment and Supplement to the Declaration duly recorded in the Office of the Atlantic County Clerk shall be without need for or obligation to obtain the consent of the Association, any Home Owner, Eligible or Permitted Mortgage Holder, Institutional Lender, or any other party.

3.03. Title to Common Property. Developer may retain the legal title to the whole or portions of the Common Property until

such time as it has completed initial improvements thereon and until such time as, in the sole judgment of the Developer, the Association is able to satisfactorily maintain same. In spite of anything to the contrary in this Section 3.03, the Developer will convey legal title to the Common Property to the Association by preparing and recording the Deed to the Common Property and transmitting same to the Association.

ARTICLE IV

DESCRIPTION OF HOMES AND RESPONSIBILITIES OF OWNERS

4.01.Description of Homes. The approximate dimensions, areas and locations of all of the Homes within Phase I of the Entire Tract are shown graphically on Exhibit "B-1" hereto as same may be amended and supplemented by Amendments and Supplements to the Declaration.

4.02.Owner's Covenant. Every owner, by the acceptance of a deed for a Home or by acceptance of title to a Home as a devisee or heir, covenants to every other Owner, and the Association that he will not permit his Home (the Lot, the Dwelling and any other Lot improvements) to be maintained other than in a first-class state of repair and in a neat, safe and attractive condition. The foregoing covenant shall not be deemed to transfer any responsibilities relative to the Home that are expressly made the obligation of the Association pursuant to the Governing Documents.

4.03.Owner's Responsibilities. In addition to such other duties, responsibilities and obligations charged to an

Owner by the Governing Documents, each Owner shall be responsible for and shall promptly perform and/or furnish, at his own expense, all of the cleaning, maintenance, repairs and replacements for his Home (i.e. the Lot, the Dwelling and other Lot improvements) other than those which are made the express responsibility of the Association pursuant to Section 6.07 of this Article VI. Owners shall discharge this responsibility promptly, consistently and in such a manner as is consistent with the covenant in Section 4.03 of this Article IV.

An Owner's responsibilities shall include, by way of example but not by way of limitation, the following:

- A. all cleaning, painting and/or staining, maintenance, repair and/or replacement of the Dwelling or portions thereof, interior and exterior, including, but not limited to, the siding, windows, doors, balconies, patios, porches, stoops, steps, roofs, chimneys, flues, etc.;
- B. all cleaning, painting and/or staining, maintenance, repair and/or replacement of any improvements in addition to the Dwelling that are established within the Lot, including, but not limited to, sidewalks, walkways and driveways;
- C. snow clearing from any surface within the Lot other than from the driveway and walkway originally established by the Developer within the Lot and serving the Home which shall be the responsibility of the

Association pursuant to Section 6.07 of Article VI of this Declaration;

- D. cleaning, clearing, maintenance, repair and replacement of any utility lateral (water, sewer, gas or other) located in, upon, over, under or through his Lot or Dwelling and serving his Home, provided any or all of the foregoing responsibilities are not expressly made the responsibility of the private or governmental utility entity providing the service in question; and
- E. landscaping, grounds maintenance and lawn care for all portions of his Lot other than maintenance of the lawn and landscaping installed and provided by the Developer (see also Section 9.01AA), which is made the responsibility of the Association pursuant to Section 6.07 of Article VI. Further, Owners are responsible for any planting beds directly adjacent to their Homes on their Lots.

An Owner's responsibility for cleaning, painting and/or staining, maintenance, repair, replacement and snow clearing for his Home as aforesaid is hereby expressly declared to include an obligation: (i) to effectuate such cleaning, painting and/or staining, maintenance, repair, replacement and snow clearing in such a manner as to maintain architectural, visual and aesthetic harmony amongst the Homes; (ii) to utilize materials of a quality at least equivalent to the quality of those materials being maintained, repaired or replaced; and (iii) to have all such cleaning, painting and/or staining, maintenance, repair,

replacement and snow clearing effectuated in a good and workmanlike manner, in accordance with all applicable laws and in such a manner as to minimize inconvenience to the Association and to other Owners. The Board of Trustees of the Association is empowered to promulgate, adopt, publish, amend and enforce such Rules and Regulations as it, in its sole and absolute discretion, deems appropriate relative to the obligations of an Owner pursuant to this Section 4.03, including, but not limited to, Rules and Regulation specifying: (a) procedures for pre-approval of materials, styles, colors, designs, etc.; and (b) schedules of frequency and standards for cleaning, painting and/or staining, maintaining, repairing, replacing and snow clearing.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

5.01.Membership. The Membership of the Association shall be comprised of two classes:

(a) Members: Every Owner of a Home other than Developer, whose Home is located within the Entire Tract, shall be a Member of the Association.

(b) Developer: For so long as Developer owns Lots within the Entire Tract, Developer shall be a member of the Association.

ARTICLE VI

ASSESSMENTS

6.01.Covenant to Pay Assessments. Every Member, by acceptance of a deed or other conveyance of a Home, whether or

not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association all Assessments and all fines and other charges contemplated by this Declaration or the By-Laws.

Each such assessment, together with interest thereon, late charges, and cost of collection thereof (including reasonable attorneys' fees) shall be a continuing lien upon the Home against which each such assessment is made and shall also be the personal obligation of the Owner(s) of such Home at the time when the assessment fell due.

6.02. Liability for Assessments. Each Owner shall be obligated to pay Common Expense Assessments, which are understood to be payments for necessities, for the maintenance of the Common Property and such other Special Assessments or Emergency Assessments pertaining to the Common Property as may be imposed by the Board of Trustees. These assessments regardless of type, together with any charges, interest, and costs of collection, including reasonable attorney's fees, shall be a charge and shall constitute a continuing lien upon the Home against which such Assessment is levied, and the personal obligation of the Owner(s) of the Home at the time the Assessment falls due. In the case of joint ownership, all co-owners shall be jointly and severally liable. Further, the municipality shall have a continuing lien against each Home for its pro rata share of all real estate taxes due and payable to the municipality for real estate taxes assessed against the Common Property. Such lien shall be apportioned equally among all Homes and shall be enforceable by

the municipality in the manner provided by law with respect to the real estate taxes assessed directly against each Home. No Owner may waive or otherwise avoid liability for Common Expenses by non-use of the Common Property. Liens for unpaid Common Expense Assessments may be foreclosed by suit brought in the name of the Association in the same manner as would a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid assessments, fines or other charges (to the extent fines or other charges are deemed valid under applicable law) may be maintained without waiving the lien securing same.

6.03. Due Dates of Annual Common Expense Assessment.

Annual Common Expense Assessments shall be made for a yearly period to be determined by the Board of Trustees and shall be payable in advance in monthly installments due upon the first day of each month or in such other installments and upon such other due dates as it may establish. Except as otherwise provided by Section 6.02, upon the conveyance of title to a Home, the portion of the then current Annual Common Expense Assessment payable by the new Owner shall be an amount which bears the same relationship to the Annual Common Expense Assessment as the remaining number of months in the then current annual assessment period bears to twelve. Such first annual assessment or portion thereof for which a new Owner is liable shall be immediately due upon the acquisition of title by the purchaser.

6.04. Annual Common Expense Assessment Not Made. After

the Developer turns over control of the Board to Owners, if an Annual Common Expense Assessment is not made as required, an

assessment shall be presumed to have been made in the amount of the last prior year's assessment. Installments of such presumed annual assessments shall be due upon the same installment payment dates as the prior year's installments until a new Annual Common Expense Assessment is made.

6.05.Annual Common Expense Assessments. It shall be an affirmative and perpetual obligation of the Board of Trustees to fix Annual Common Expense Assessments in an amount at least sufficient to maintain and operate the Common Property, to maintain improvements which the Association is obligated to so maintain, to pay all taxes on the Common Property, and to place and maintain in full force and effect all of the insurance coverage provided for herein and in the By-Laws. The amount of monies for Common Expenses of the Association deemed necessary by the Board of Trustees and the manner of their expenditure shall be determined in the sole discretion of the Board of Trustees.

6.06.Notice of Annual Common Expense Assessments. At least fifteen (15) days in advance of the due date of the first Annual Common Expense Assessment installment for each fiscal year, the Board of Trustees shall cause to be prepared a list of the Homes and the Annual Common Expense Assessments applicable to each according to the names of the Owners. This list shall be kept in the office of the Association or its managing agent and shall be open to inspection upon the request of any Owner. Written notice of the Annual Common Expense Assessments shall be sent by mail or delivered to every Owner, as more particularly described in Article VII of the By-Laws.

6.07. Use of Annual Common Expense Assessments. The

Board of Trustees may do all that it is legally entitled to do and shall be obligated to discharge its duties including, but not limited to, those set forth at Article VI of the By-Laws of the Association, which appear as Exhibit "D" to this Declaration. The responsibilities of the Association shall include arrangements for the maintenance and/or repair of the drainage and detention or retention facilities established within the Common Property.

In furtherance of discharging its obligations, the Annual Common Expense Assessments levied by the Board of Trustees shall be used exclusively for promoting the health, safety, pleasure and welfare of the Members of the Association, including, but without limitation, expenditures, maintenance, replacement and repair for the following: security; Clubhouse; recreation area lighting and refuse collection; snow clearing from parking areas, driveways and walkways, including snow clearing from the sidewalks, walkways to the front door and driveways within the Lots and serving a particular Home exclusively; maintenance of Developer-installed lawn and landscaping within the Lots; landscaping of unimproved Common Property; maintenance, repair and replacement of the Common Property or any other improvements on the Property, including parking areas; payment of applicable common taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association; and such other items as may from time to time be deemed appropriate by the Board of Trustees provided that the

Annual Common Expense Assessments shall not be used for new capital improvements subject to Section 6.12 of this Declaration.

6.08. Allocation of Common Expenses; Obligations of the Developer.

A. Allocation: The Common Expense Assessments shall be allocated among all Homes for which an initial Certificate of Occupancy has been issued.

B. Obligations of the Developer: Until the conveyance of title to the first Home, the Developer shall be solely responsible for all Common Expenses. Following the first conveyance, the Owners of Homes to whom title has been conveyed shall be responsible for payment of Common Expenses assessed against their Homes. The Developer shall not be responsible for payment of any Common Expenses assessed against Homes owned by it for which an initial Certificate of Occupancy has been issued. The Developer shall also not be responsible for the payment of any costs associated with the Common Property within any Phase which has been subjected to the Declaration by the recordation of an Amendment and Supplement. The obligation of the Developer under this section is subject to the Developer's responsibility, if any, under N.J.A.C. 5:26-8.6(b).

6.09. Emergency Common Expense Assessment. In the event the Annual Common Expense Assessment proves to be insufficient to cover the cost of an immediate need or emergency, the Board of Trustees of the Association may amend the budget and assessment and impose an Emergency Common Expense Assessment. The determination of an immediate need or emergency shall be in the

sole and absolute discretion of the Board of Trustees of the Association. Within thirty (30) days of any Emergency Common Expense Assessment the Board shall memorialize, by written resolution, the factual basis for the Emergency Common Expense Assessment.

6.10. Special Common Expense Assessment. In addition to the other assessments authorized herein, in any assessment year after title to the last Home in the Community has been conveyed by the Developer, the Board of Trustees may levy a Special Common Expense Assessment to defray in whole or in part the cost of any unexpected reconstruction, repair or replacement of an existing capital improvement to the Common Property not determined by the Board of Trustees to constitute an emergent or immediate need, but for which funds held in reserve are inadequate, or for any other lawful purpose.

6.11. Special Assessments for Damages, Violations and Failures of Owners. If any Owner or his guest, tenant, invitee, occupant or household pet causes damage to the Common Property which necessitates repair thereto or fails to maintain anything for which maintenance is his responsibility, or if the Association is required to expend monies to remedy any violations of the covenants and restrictions herein stated or in the published Rules and Regulations of the Association, then the Board of Trustees may impose a Special Assessment upon the Owner involved for the cost of performing such repairs or maintenance or for remedying such violations, including reasonable attorney's fees, as the case may be. Such Special Assessment shall

constitute a lien against any Home owned by such Owner, but such Special Assessment in question shall not be imposed without at least ten (10) days prior written notice to the affected Owner and an opportunity for the affected Owner to be heard at a meeting of the Board of Trustees.

6.12.Capital Improvement Common Expense Assessment. In addition to the other assessments herein authorized, the Board of Trustees may levy, in any assessment year after title to the last Home in the Community has been conveyed by the Developer, a Capital Improvement Common Expense Assessment for the purpose of acquiring real or personal property or constructing a new capital improvement; provided, however, that such an assessment cannot be made against the Developer without its written consent. If, during any assessment year, a Capital Improvement Common Expense Assessment, together with all other Capital Improvement Common Expense Assessments for the assessment year, exceeds in the aggregate the sum of \$25,000.00 increased by the percentage of increase in the Consumer Price Index for all Urban Consumers since 2004, it shall receive the assent of two thirds (2/3) in interest of the affected Members in Good Standing. This vote shall be taken at a meeting duly called for this purpose. Written notice of such a meeting, stating the purpose of the meeting, shall be sent to all Owners not less than thirty (30) days in advance. The due date(s) of any Capital Improvement Common Expense Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the Capital Improvement Common Expense Assessment.

6.13. Exemption from Capital Improvement Common Expense Assessments. Despite anything to the contrary herein, neither the Developer nor any holder of a Permitted Mortgage shall be required to pay any assessments for capital improvements, whether by way of regular, special, capital improvement or any other assessment. This provision may not be amended without the written consent of Developer and every holder of a Permitted Mortgage.

6.14. Remedial Common Expense Assessment. In addition to the other assessments herein authorized, the Board of Trustees of the Association may levy a Remedial Common Expense Assessment against any individual Member whenever required or permitted to do so by any of the provisions of this Declaration, the By-Laws or the Rules and Regulations expressly authorizing such a Remedial Common Expense Assessment. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Homes by Association personnel or representatives and charged as a Remedial Common Expense Assessment. The Board may impose Remedial Common Expense Assessments only to the extent that same are required to perform repairs and replacements to Homes in order to bring them into conformity with all applicable governmental standards or to protect the value of the Community.

6.15. Additional Common Expense Assessment for Real Estate Taxes Assessed on a Bulk Basis. Despite anything contained in any Mortgage encumbering any Home, until such time as the Township of Egg Harbor assesses and bills Homes

individually for real estate taxes, the Board shall assess against each Home and collect from all Owners such amounts as may be necessary to pay any real estate taxes estimated or assessed against the Property as a whole. These amounts shall be levied by the Board as an additional Common Expense Assessment and shall be apportioned equally among all Homes with such frequency as the Board, in its sole and absolute discretion, deems necessary to pay such real estate tax estimates or assessments in a timely fashion.

6.16.Miscellaneous Assessments. Any and all fines, late charges, costs of collection (including reasonable attorneys' fees), interest on unpaid assessments, capital contributions, membership fees, escrow deposits or other sums required to be paid to the Association by an Owner pursuant to the provisions of the Governing Documents or duly adopted resolution of the Board of Trustees shall be deemed Common Expense Assessments which each Owner has covenanted for and agreed to pay according to the provisions of Section 6.01 and for which each Owner is liable according to the provisions of Section 6.02 and shall be collectible by the Association in the same manner as other Common Expense Assessments pursuant to the provisions hereof.

6.17.Certificate of Payment. The Association shall, within ten (10) days after receipt of the written request of any Owner, Purchaser of any Home or Mortgage Holder for any Home furnish to such Owner, Purchaser or Mortgage Holder, a certificate, in writing and signed by an officer of the

Association, setting forth whether or not such assessment, fine or other charge, which would constitute a continuing lien against the Home pursuant to Section 6.02, has been paid. Except as to an Owner requesting such a certificate for a Home that he owns, such certificate shall constitute conclusive evidence of the payment of any assessment(s) therein stated to have been paid.

6.18.Interest in Common Surplus. Any common surplus of the Association resulting from an excess of income over expenses may be allocated among the Members in the same manner as those expenses were assessed or the Board may, in its sole discretion, carry the surplus into the following fiscal year.

Any common surplus of the Association resulting from the distribution of proceeds of liquidation of assets of the Association shall be allocated among the members of the Association, including the Developer, according to their relative proportionate interests subject to an adjustment to reflect an appropriate credit for any initial contribution to working capital, if applicable, in accordance with general accounting principles.

6.19.Limitations on Developer. While the Developer maintains a majority on the Board of Trustees, it shall make no additions, alterations, improvements or purchases not contemplated in the Public Offering Statement which would necessitate a Special Common Expense Assessment or a substantial increase in the Annual Common Expense Assessment installments unless required by a governmental agency, title insurance company, Institutional Lender or in the event of an emergency.

6.20. Limitations on Association. 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 this Article VI without the prior written consent of the Developer.

ARTICLE VII

EASEMENTS

7.01. Owner Easements. Every Owner, his successors and assigns, shall have the following perpetual easements with respect to the Property, which shall be for the benefit of all owners, leasees and occupants of Homes in the Entire Tract, their licensees and their invitees:

A. An exclusive easement for the existence and continuance of any encroachment by his Home upon any portion of the Property of an 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;

B. An exclusive easement in, upon, under, over, across and through the adjacent Lot for the

installation, maintenance and repair of any improvements to the Home as a result of the location of the Dwelling on the lot line of the adjacent Lot.

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

D. A perpetual and non-exclusive easement for access to and enjoyment of any facilities which may be constructed on the Common Property subject to such restrictions and/or limitations established herein or by the Board of Trustees, 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 not to be in good standing.

7.02. Developer's Easements. The Developer, its successors and assigns, shall have the following easements with respect to the Property:

A. A blanket and non-exclusive easement in, upon, over, through, under and across the Property for the construction, installation, maintenance and repair of any improvement to the Property; for ingress and egress for the use of all roadways, drives, driveways, walkways and parking areas; and for the utilization of existing and future model Homes for sales promotion and exhibition, until

the expiration of two (2) years from the date on which the last Home is sold and conveyed in the normal course of business, but in no event more than fifteen (15) 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 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;

- B. A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Property for surface water runoff and drainage caused by natural forces and elements, grading or other improvements located upon the Property. No individual Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Property; and
- C. A specific easement in favor of the Developer, its successor and assigns, its agents, servants and licensees, for purposes incidental to the development and the construction and marketing of

the Entire Tract including, but not limited to the repair and maintenance of drainage improvements and utility systems serving the Entire Tract. Said easement shall be in favor of the Developer, its successors and assigns; provided, however, that such easement shall expire two (2) years after the Developer, in the ordinary course of business, conveys the last Home in the Community to an individual or entity other than Developer.

7.03. Association Easements. The Common Property shall also be subject to the following perpetual easements for the benefit of the Association:

- A. An exclusive easement for the maintenance of the Common Property, lawn maintenance for individual Homes, and snow clearing from Developer installed walkways, sidewalks and driveways on the Lots; and
- B. The Board of Trustees or any manager or managing agent, or their respective agents or employees, 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 but only when necessary to protect other Homes or the Common Property, (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,

repair and/or replacement of or to the Common Property or any equipment, facilities or fixtures affecting or serving other Home(s) or the Common Property provided that a request for entry is 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 notified in advance or present at the time.

7.04. Permitted Mortgage Holder Easements. Any holder of a Permitted Mortgage, its officers, agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Entire Tract and to inspect the condition of the Common Property or 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(s) in question.

7.05. Municipal Easements. The Property is subject to a blanket, perpetual and nonexclusive easement 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); for emergency or other necessary maintenance, repair and/or replacement of the Common Property which the Association has failed to perform. 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.

7.06.Utility Easements. The Property 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 Property for the purpose of reading, servicing or repairing utility lines and to do everything and anything else necessary in order to properly maintain and furnish utility service to the Entire Tract, which easement shall be for the benefit of any duly authorized governmental agency, utility company or other entity furnishing utility service, including those providing master cable, television or electronic security service to the Property.

7.07.Easements of Record. The Property shall be subject to all easements of record and as may be shown on the recorded subdivision plat.

ARTICLE VIII

ADMINISTRATION AND POWERS OF ATTORNEY

8.01.Administration. The administration of the Entire Tract shall be by the Association in accordance with the provisions of the New Jersey Non-Profit Corporation Act, N.J.S.A.

15:1-1, et seq., the Governing Documents, and any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently required by any Institutional Lender designated by the Developer or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Entire Tract or by any title insurance company selected by Developer to insure title to the Entire Tract.

8.02. Developer's Power of Attorney. The Developer hereby reserves for itself, its successors and assigns, until the Developer conveys title to the last Home within the Entire Tract, the right to execute on behalf of all contract purchasers, Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in any portion of the Entire Tract, any agreements, documents, amendments or supplements to the Governing Documents which may be required as follows:

- (a) Appointment. By acceptance of a deed to any Home or by the acceptance of any other legal or equitable interest in the Property, each and every contract purchaser, Owner, mortgagee, or other lienholder or party having a legal or equitable interest in the Property does automatically and irrevocably name, constitute, appoint and confirm Developer, its successors and assigns, as attorney-in-fact for the purpose of executing such agreements, instruments, amendments or supplements to this Declaration or any other Governing

Documents, and other instrument(s) necessary to effect the foregoing, together with any Amendment and Supplement to the Declaration contemplated by Section 2.02 hereof, subject to the limitations set forth herein.

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.

Developer may use the rights set forth and granted in this Paragraph 8 to effectuate the following changes, enumerated by way of description and not limitation:

- (i) Change Homes. Before the closing of title on any Home affected, the Developer may amend and supplement the Declaration to

alter or fix the location, configuration, shape and size thereof.

(ii) Easements. To grant, add to or alter the location, size or purpose of easements and lands for utilities, roads, access, ingress or egress, drainage or financing purposes; or to convey or assign such easements to the appropriate governmental authority, utility agency or company, title insurance company or as otherwise set forth in this Declaration.

(iii) Use of Easements. To permit the Developer, its agents, Affiliates, employees or subcontractors to utilize easements, roads, drainage facilities, utility lines and the like within or servicing the Community.

(iv) Surrender of Developer's Rights. To surrender or modify the Developer's rights in favor of the Homeowners or Association, or their respective mortgagees.

(v) Technical Changes. To correct, supplement or provide technical changes to the Declaration, By-Laws or other documents that create or implement the creation of the Community or Association.

(vi) Miscellaneous Changes. To amend the Declaration, By-Laws or other documents that create or implement the creation of the Declaration or the Association to qualify the Community for programs and requirements of the secondary mortgage market and lenders in same, such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or any other similar secondary mortgage lender; or as required by governmental or quasi-governmental agencies with regulatory jurisdiction over the Community; by any title insurance company insuring title to a Home; or to comply with a court order or decree.

(vii) Changes Prohibited. The Developer is not permitted to cast votes held by it for unsold lots, parcels, Homes (finished and unfinished) or interests for the purpose of amending the Declaration, By-Laws or any other document to change the permitted use of a lot, parcel, Home or interest, or for the purpose of reducing the Common Property or facilities dedicated to the Community. This provision is not intended to interfere with the Developer's ability

to make such changes to the site plan, materials, etc., as it deems necessary provided said changes are accepted by the appropriate regulating authorities. However, Developer is permitted to cast its votes on all other matters as permitted by law.

(viii) Effective Date of Amendment. Any Amendment or Supplement to the Declaration is effective on its being recorded in the office of the Recording Officer. The party recording same (the Developer or the Association) will thereafter provide copies to the Association, each Owner and Eligible Mortgage Holders, as applicable.

(b) Limitations. No agreement, document, amendment or supplement or other instrument which adversely affects the value of any Home, or increases the financial obligations of the Owner by more than ten (10%) percent of his then current annual Common Expense Assessment, or reserves any additional or special privileges for the Developer not previously reserved, shall be made without the prior written consent of the affected Owner(s) and all owners of any mortgage(s) encumbering the affected Home(s). Any such agreement, document,

amendment or supplement or other document which adversely affects the priority or validity of any mortgage which encumbers any Home shall not be made without the prior written consent of the owners of all such mortgages.

- (c) Duration. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and shall run with the title to any and all Homes and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, this power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power. This power of attorney shall be vested in the Developer, its successors and assigns until the Developer's conveyance of all Homes or the expiration of its stated term. Thereafter, said powers of attorney shall automatically vest in the Association to be exercised by its Board of Trustees.

8.03. Association's Power of Attorney. By execution of a contract to purchase a Home within the Entire Tract from the Developer, by execution or acceptance of a deed to any Home within the Entire Tract or by the acceptance of any other legal or equitable interest in the Entire Tract, each and every such

contract purchaser, Owner, mortgagee or other lienholder or party having a legal or equitable interest in the Entire Tract does automatically and irrevocably name, constitute, appoint and confirm the Association as attorney-in-fact for the following purposes: (i) to acquire title to or lease any Home whose owner desires to surrender, sell or lease same, and, in the name of the Association or its designees, corporate or otherwise, and on behalf of all Owners; (ii) to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise dispose of any such Homes so acquired or to sublease any Homes so leased by the Association; (iii) to prepare, execute and record any amendments to the Declaration required by Article XI hereof; (iv) to commence and maintain any eviction proceedings contemplated under Section 9.01 hereof; and (v) to prepare, execute and record any amendments to the Declaration made pursuant to Article XIV hereof.

The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Homes and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, this power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power.

8.04. Eligible Mortgage Holder's Power of Attorney. In the event that the Association fails to institute enforcement proceedings for the collection of delinquent Common Expense

Assessments, as provided in Article VII of the By-Laws, then any Eligible Mortgage Holder for any Home as to which there shall be a delinquent Common Expense Assessment is hereby irrevocably granted standing and a power of attorney to institute an appropriate action and to invoke such other remedies otherwise available to the Association in the name of and on behalf of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

ARTICLE IX

RESTRICTIONS

9.01. General Covenants and Restrictions. The Entire Tract is subject to all covenants, restrictions and easements of record and to the following restrictions and covenants, all of which shall be perpetual in nature and run with the land:

- A. The Common Property shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Homes.
- B. No Owner shall have the right to mortgage or encumber his Home, unless such mortgage or encumbrance is a Permitted Mortgage. No other mortgages or encumbrances shall be permitted without the prior written approval of the Board of Trustees.
- C. No Home, except those Homes utilized by the Developer as sales offices, administrative offices

or models, shall be used for any purpose other than as a private residence. Except as necessary for construction, sales, marketing and repair or replacement of Homes, no business, trade, profession or occupation shall be conducted in any Home, nor elsewhere on the Entire Tract. In spite of anything to the contrary in this subsection, Homes may be utilized for business, trade, professional or occupational purposes provided such use complies with zoning and any other applicable ordinances of the Township of Egg Harbor and is undertaken with the prior written consent of the Board of Trustees. The Board shall have the authority to adopt such rules and regulations governing the conduct of a business, trade, profession or occupation within a Home including, but not limited to, such regulations which may be necessary to govern vehicular and pedestrian traffic, deliveries to the Home, and any other activities which may result in interference with the use and enjoyment of any Home or the Common Property within the Community.

- D. There shall be no obstruction anywhere within the Entire Tract, nor shall anything be stored in or upon the Entire Tract, unless expressly permitted in writing in advance by the Board of Trustees of the Association.

- E. No portion of the Entire Tract shall be used or maintained for the dumping of rubbish or debris. Trash, garbage and other waste shall be disposed of in containers approved by the Board of Trustees. Owners shall comply with any and all recycling regulations that are developed by the Municipality or the Board of Trustees and all recyclable material shall be disposed of in containers designated as deemed appropriate by the Board of Trustees.
- F. No Owner or occupant shall build, plant or maintain any matter or thing upon, in, over or under the Common Property unless approved in advance by the Board of Trustees or its designee.
- G. No Owner shall use or permit to be brought into or stored in any Home or in or upon the Common Property any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine or other explosives or articles deemed hazardous to life, limb or property without in each case obtaining written consent of the Board of Trustees.
- H. Every Owner shall be liable for any and all damage to the Common Property which shall be caused by said Owners, their respective family members, employees, servants, agents, tenants, visitors, licensees or household pets.

- I. Nothing shall be done or stored in any Home or in or upon the Common Property which will increase the rates of insurance of any Home or for the Entire Tract or the contents thereof or which will result in the cancellation of insurance on any Home or the contents thereof or which will be in violation of any law.
- J. Nothing shall be done in or to any Home or on, in or to the Common Property which will impair the structural integrity of any Home or which will structurally change any Home. In addition, no Owner shall have the right to paint, decorate or otherwise change the appearance of the exterior of his Home, or any portion of the Common Property without the prior written consent of the Board of Trustees.
- K. No Owner shall cause or permit any clotheslines, poles or clothes trees, clothes, sheets, blankets or laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside windowsills, walls, patio, deck or balconies of any Home, or other outside area of the Common Property.
- L. No noxious, immoral, improper, offensive or unlawful activity shall be carried on in or upon the Common Property or in any Home, nor shall anything be done therein either willfully or

negligently which may be or become an annoyance or nuisance to other Owners anywhere within the Entire Tract. All laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Entire Tract shall be observed.

M. Each Owner shall keep his Home in a good state of preservation and cleanliness.

N. The construction of any deck, patio or porch shall require the prior approval of the Association and shall be in compliance with all governmental requirements. Said deck, patio or porch shall not be used for storage purposes including, but not limited to, the storage of major appliances, auto parts, storage containers or bicycles. The use of barbecues and/or other types of cooking apparatus are prohibited, except as may be permitted under applicable State and municipal laws, regulations and ordinances.

O. No Owner shall install any floodlights on the exterior of a Home without the prior written consent of the Board of Trustees.

P. No bird, animal or reptile of any kind shall be raised, bred or kept in any Home or on any Lot, except that dogs (other than trained attack or guard dogs) and cats not to exceed in the aggregate two per Home may be kept in Homes,

provided, however, they are not kept, bred or maintained for any commercial purposes, are housed within the Home and the Owner having such pet abides by all applicable Rules and Regulations. No outside pens, runs or yards shall be permitted.

Q. No commercial vans or trucks, which shall be deemed to include any vehicle bearing commercial signs, lettering or equipment, may park overnight on the Common Property or any Lot, except within a garage, and no vehicles over 20 feet in length, boats, trailers, campers, recreation vehicles, mobile homes, or recreational vehicles may be parked on any part of the Property except (i) in areas designated or to be designated by the Developer; (ii) for those vehicles temporarily on the Property solely for purposes of loading or unloading or for servicing the Common Property itself or one of the Homes; and (iii) this restriction shall not apply to Developer, its employees, agents, contractors and servants. The Board of Trustees, through the promulgation, adoption and publication of Rules and Regulations, may and is hereby empowered to further define those vehicles that are prohibited from parking on the Property.

R. No servicing or maintenance of any vehicle, boat or other item of personal property shall be

performed anywhere on the Entire Tract, including driveways appurtenant to Homes.

S. Garage doors shall be kept closed at all times when a vehicle(s) or person(s) is not entering or leaving the garage.

T. Draperies, blinds or curtains must be installed by each Owner on all windows of his Home and must be maintained in said windows at all times except where the prior written consent of the Board of Trustees is obtained.

U. No sign or signs shall be placed on any part of the Entire Tract advertising the Property for sale, rent or lease, or for any other purpose whatsoever except as provided in this Declaration. No sign of any type visible from the exterior of a Home shall be placed on the window surface of any Home, except by the Developer for marketing purposes during the ordinary course of business.

V. In order to provide an orderly procedure in the case of title transfers, and to assist in the maintenance of a current, up to date roster of Owners, each Owner shall give the Secretary of the Association timely notice of his intent to list his Home for sale, and upon closing of title shall forthwith notify such Secretary of the names and home addresses of the purchasers.

- W. No bicycles, baby carriages, wagons or similar non-motorized vehicles or toys, nor mopeds, motorcycles or similar motorized vehicles shall be parked or otherwise left unattended anywhere in the Entire Tract, except that a licensed motorcycle may be parked in any assigned parking space.
- X. No Owner or tenant thereof shall erect or maintain an exterior antenna on any Home within the Entire Tract unless it is permitted in writing by the Board of Trustees. Satellite dishes are allowed, subject to Board approval, if they are no larger than one meter in diameter and located in a location that will not interfere with the enjoyment of adjoining owners.
- Y. No vehicles shall be parked adjacent to or in any location which impedes access to any mailbox.
- Z. No fences or sheds of any kind shall be constructed or placed anywhere on the Entire Tract.
- AA. An Owner may add planting beds, shrubs, and trees with the submission of a landscape plan to and the written approval of the Board; however, the planting of annuals shall not require the approval of the Board. The Owner of the Home shall be responsible for the maintenance of any approved plantings. No Owner shall remove any planting

installed by the Developer within the Common Property. The planting of fruits and vegetables is prohibited. The installation, maintenance and removal of permitted plantings shall be subject to the rules and regulations of the Association.

BB. The Home and the Common Property shall be subject to all applicable federal, state and municipal laws, statutes, regulations and ordinances.

None of the restrictions contained herein shall be construed to prohibit the reasonable adaptation of any Home for use by any eligible person pursuant to any applicable State and/or Federal law establishing such rights for the physically challenged, disabled and/or handicapped.

Nothing shall be done to any Home or on or in the Entire Tract which will impair the structural integrity of any Home or which will structurally change any Home.

9.02.Restrictions on Leasing. No Owner other than the Developer 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 (except in the event of a lender in possession of a Home following a default in a First Mortgage, a foreclosure proceeding or a deed or other arrangement in lieu of foreclosure). Furthermore, no Owner shall permit the use and/or occupancy of a Home for transient or hotel purposes, which shall be defined as any rental or other arrangement for use and/or occupancy where the users or occupants of the Home are provided customary hotel services such as room service for food

and/or beverages, maid service, laundry and/or linen service and bellboy service. In spite of the foregoing, an Owner may rent to or enter into an arrangement for the use and/or occupancy of a Home with a contract purchaser for less than three (3) months so long as such rental or arrangement for use and/or occupancy is not for transient or hotel purposes. No Owner may lease or enter into an arrangement for the use and/or occupancy of less than the entire Home. Rentals shall be pursuant to leases which (a) are in writing; (b) are expressly subject to all applicable laws and the provisions of the Governing Documents including, without limitation, the Developer's rights to amend as described herein, provided that any failure of the lessee to fully comply with the terms and conditions of the Governing Documents shall constitute a material default under the lease; 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. 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 leasing or other arrangement for use and/or occupancy of a Home shall in no way relieve the Owner from his obligations under the Governing Documents and he shall remain primarily responsible in the event a tenant, user or occupant fails to comply with the provisions of the Governing Documents. In addition to all other remedies which it may have, the Association shall notify the Owner of such violations and demand that same be remedied through the Owner's efforts within thirty (30) days after such notice. If such violation is not remedied within such thirty (30) day period, immediately thereafter, at his own cost and expense, the Owner shall institute and diligently prosecute an eviction, ejectment or other appropriate action against the tenant, user or occupant on account of such violation. Such action shall not be compromised or settled without the prior written consent of the Association. In the event the Owner fails to fulfill the foregoing obligations, the Association shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Owner and at the Owner's sole cost and expense, including all legal fees incurred. Such costs and expenses shall be due and payable upon demand by the Association as a Remedial Common Expense Assessment and shall be deemed to constitute a lien on the particular Home involved. The collection thereof may be enforced by the Board of Trustees in

the same manner as the Board of Trustees is entitled to enforce collection of other Remedial Common Expense Assessments.

By execution of a deed to any Home conveyed by the Developer or by the acceptance of a deed to any Home conveyed by an Owner other than the Developer, each Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Board of Trustees as his attorney-in-fact for the purposes described in this Section. Each Owner declares and acknowledges that this power of attorney is coupled with an interest in the subject matter and shall be deemed to run with title to the Home.

In spite of anything to the contrary in this Section 9.02, all leasing or other arrangement for the use and/or occupancy for a Home shall satisfy the requirements of Section 9.04. Provided that the lease or other arrangement for use and/or occupancy of a Home otherwise complies with Section 9.04 of this Declaration, the restrictions on the length of the term of the leasing or other arrangement for use and/or occupancy of a Home shall not apply to any arrangement between (a) a parent and child; or (b) siblings.

9.03. Restrictions on Alterations. No Owner (other than the Developer) may make any structural additions, alterations or improvements in or to his Home or upon or to the Common Property, or impair any easement of record or referred to in this Declaration without the prior written consent of the Board of Trustees. No additional changes are permitted to the Home unless permitted by the zoning ordinances of the Township of Egg Harbor

or in order to make the Home handicapped accessible under applicable law.

Despite the foregoing, while the Developer maintains a majority on the Board of Trustees, it shall make no additions, alterations, improvements or purchases which would necessitate a Special Common Expense Assessment unless necessitated by emergency or required by a governmental agency, title insurance company, or Institutional Lender.

The Architectural Control Committee, if established by the Board of Trustees, shall have the obligation to answer any written requests received by it from a Owner for approval of a proposed structural addition, alteration or improvement in or to his Home within seventy-five(75) days (or one hundred and twenty (120) days for so long as the Board is controlled by the Developer) after the receipt of such request, and failure to do so within the stipulated time shall constitute an approval of the proposal. Such requests shall be submitted to the Architectural Control Committee by certified mail, return receipt requested. Any application by an Owner to any municipal authority for a permit to make an addition, alteration or improvement in or to any Home or upon or to the Property must first be reviewed and approved in writing by the Architectural Control Committee and, if approved, shall be executed by the Architectural Committee and may then be submitted by the Owner to the appropriate government authorities. Such approval, however, shall not result in any liability on the part of the Association to any contractor, subcontractor or materialman on account of such addition,

alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom. By submitting any such plan for approval, any owner expressly agrees to defend, indemnify and hold the Board, the Architectural Committee and the Association and its members harmless from any such liability. Further, the Architectural Control Committee shall have the right to impose a reasonable review fee and to impose any conditions it deems appropriate as part of any approval. The Owner shall furnish the Architectural Control Committee with a copy of any such permit which he has procured prior to the start of any work. The provisions of this subsection shall not apply to Homes owned by the Developer until such Homes have been initially sold and conveyed by the Developer unless such Developer-owned Homes are voluntarily not being offered for sale in the regular course of business. In the absence of an established Architectural Control Committee the foregoing rights and responsibilities shall be that of the Board of Trustees.

9.04. Age Restrictions.

A. Community to Remain 55 or Over Housing. The Community is intended to be "55 or Over Housing" within the meaning of the Fair Housing Act, so as to qualify as "housing for older persons" within the exemption provisions of the Fair Housing Act. The construction, interpretation and enforcement of this Article IX, as well as the remainder of the Declaration and the By-Laws, shall be in a manner consistent with such requirements.

B. General Age Restrictions. Occupancy of the Homes shall be restricted to use by permanent residents fifty-five (55) years of age or older with no children under nineteen (19) years of age in permanent residence, with the following exceptions: (1) A member of a couple under the age of fifty-five (55) years who is residing with his/her partner who is fifty-five (55) years of age or over; or (2) One (1) adult under fifty-five (55) years of age will be admitted as a permanent resident if it is established that the presence of such person is essential to the physical care of one (1) or more of the adult occupants who shall be fifty-five (55) years of age or older. However, in the event the aforesaid restrictions are subsequently amended by court order or otherwise to permit additional classes of residents, the Association reserves the right to permit residency by such persons as shall be required. Despite anything to the contrary in the Declaration or By-Laws, no Home may be occupied by any child under the age of 19 years unless, despite anything to the contrary, such person is a handicapped dependent protected by the Fair Housing Act. Exceptions to the foregoing age restrictions may be granted in particular cases by the Developer or the Association, in accordance with Section 9.04C.

C. Approval Procedures.

(i) It shall be the duty of the Developer, in connection with the initial occupancy of Homes, and of the Association as to all subsequent occupancy of Homes, to enforce the Declaration and this Article IX so that at all times the

Community will qualify for the "55 or Over Housing" for older persons exemption under The Fair Housing Act.

(ii) No occupancy of any Home shall be permitted, begin, or continue if such occupancy would be in violation of the provisions of this Article IX or result in the loss of the Community's "55 or Over Housing" for older persons exemption under the Fair Housing Act. No person may transfer, sell, give, lease, assign, grant, buy, rent or occupy any Home in the Community, unless and until such person shall have received the approval of the Association in accordance with this subparagraph.

(iii) No transfer, sale, gift, lease, assignment, grant, purchase, rental or occupancy of any Home shall be made by any Owner or any subsequent prospective purchaser or lessee until the existing Owner who desires to transfer makes full disclosure to the Board in writing, of the name, address and age of the prospective purchaser or lessee and all prospective residents of the Home, together with evidence that said prospective purchaser or lessee and residents meet all qualifications set forth herein. Said Owner who intends to sell, transfer, give, lease, assign any Home, shall, before entering into any binding agreement (other than an agreement whose enforceability is expressly contingent upon Board approval) for such with any prospective purchaser, grantee, lessee or assignee, submitting the evidence in writing as aforesaid to the Board and such Owner shall not execute said agreement without first obtaining the written approval of the Board. The Board must act within ten (10) business days of the Owner's submission to the Board. In the event the Board does not

act within the time set forth hereinabove, the Board will be deemed to have consented. In the event the Board withholds its consent, then the Board shall set forth the reasons for its denial in writing and present same to the Owner at the time the Owner is informed of the Board's decision. If the Owner is dissatisfied with the Board's decision, then the Owner may request a hearing before the Board, with or without legal counsel present, which hearing will be scheduled by the Board within fifteen (15) days of an Owner's request for a hearing. All decisions of the Board after the hearing shall, as with the initial decision, be set forth in writing. The Board must render said decision in writing within five (5) days of the scheduled hearing.

(iv) Upon receipt of any application for the transfer, sale, gift, grant, occupancy, or rental of any Home, the Board shall:

(a) Obtain verification of age of all proposed residents of the Home, such verification to consist of copies of driver's licenses, birth certificates, or similar recognized substantiation. No approval shall be granted, and no application shall be deemed complete, unless and until all proposed residents shall have submitted age verification as contemplated by this subparagraph.

(b) If the proposed residents of the Home meet the restrictions of Section 9.04 B (i.e., at least one member of a couple is over the age of 55 years, or one adult is under 55 years if the presence of such person is essential to the physical

care of the adult occupants who are 55 or older, and no child under the age of 19 years is proposed to be a resident), then the Board shall approve the application.

(c) If a child under the age of 19 years is proposed to be a resident of the Home, the Board shall disapprove the application.

(d) If all of the proposed residents of the Home are under the age of 55 years, then the Board may, in its discretion, but shall have no obligation to, approve the application provided, however, that the Board shall not have the authority to approve and shall not approve any application if:

1. any proposed resident child is under the age of 19 years; or

2. to approve the application would cause or threaten to cause the Community to have less than 80% of its Homes occupied by at least one person over the age of 55 years, or otherwise to fail to continue to qualify for the "55 or Over Housing" for older persons exemption under the Fair Housing Act.

(v) The Board shall be obligated to conduct an occupancy survey every two years as required by 24 CFR Section 100.37 in order to qualify for the "55 or Over Housing" for older persons exemption under the Housing for Older Persons Act of 1995 (U.S.C.A. Section 3607). A form of Compliance Affidavit appears as Exhibit E to this Declaration.

9.05. Rules and Regulations and Fines. The Board of Trustees is hereby empowered to promulgate, adopt and publish such Rules and Regulations as may be necessary to carry out the intent of the restrictions established in Sections 9.01 to 9.04 of this Declaration and shall have the right to bring law suits suffered by the Developer as a result of such action to enforce the Rules and Regulations so established. Without limiting the foregoing, to the extent that New Jersey law may permit, the Architectural Control Committee or the Board, whichever is applicable, shall further have the right to levy fines for violations of the Governing Documents, provided that the fine for a single violation may not, under any circumstances, exceed the maximum amount permitted by law. Each day that a violation continues after receipt of notice by the Owner may be considered a separate violation. Any fine so levied shall be considered as a Remedial Common Expense Assessment to be levied against the particular Owner involved, and collection may be enforced by the Board of Trustees in the same manner as the Board is entitled to enforce collection of other Common Expense Assessments.

ARTICLE X

PROTECTIVE PROVISIONS FOR THE BENEFIT OF ELIGIBLE MORTGAGE HOLDERS

10.01. General. Despite anything to the contrary in this Declaration, the By-Laws or the Certificate of Incorporation, the provisions of this Article X shall apply with respect to each Eligible Mortgage Holder.

10.02. Notice to Eligible Mortgage Holders. The Association shall be deemed to have fulfilled its obligations hereunder and an Eligible Mortgage Holder shall be deemed to have been given any required notice hereunder so long as the Association can establish that it served the notice in question in the manner provided herein directed to the Eligible Mortgage Holder at the last address given by it to the Association in the manner provided herein. The manner in which the Association shall give the notices required to notice mortgagees pursuant to this Article X shall be via United States Postal Service by certified mail, with return receipt requested and sufficient prepaid post affixed thereto, addressed to the last address of the Eligible Mortgage Holder identified to the Association as provided herein.

10.03. Notice. Upon written request to the Association, identifying the name and address of the eligible mortgage holder, insurer or guarantor and the Owner or designation of the particular Home, any eligible mortgage holder, insurer or guarantor of a first mortgage lien on a Home shall be entitled to timely written notice of:

- A. any proposed amendment to the Certificate of Incorporation, the By-Laws or this Declaration;
- B. any condemnation loss or casualty loss which affects either a material portion of the Common Property or any Home securing the Eligible Mortgage Holder's Mortgage; and no Owner or other party shall have priority over such Eligible

Mortgage Holder with respect to the distribution to such Home(s) of the proceeds of any condemnation award or settlement in the event of condemnation or with respect to the distribution to such Home(s) of any insurance proceeds in the event of casualty loss;

- C. any sixty (60) day delinquency in the payment of Common Expense Assessment installments or other assessments or charges owed to the Association by an Owner of any Home or which the Eligible Mortgage Holder holds a Mortgage;
- D. any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- E. any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

10.04. Prior Written Approval of 51% of Eligible Mortgage Holders. Despite anything contained in this Declaration to the contrary, the prior written approval of at least fifty-one (51%) percent of the Eligible Mortgage Holders is required for any material amendment to this Declaration or to the By-Laws or Certificate of Incorporation, including, but not limited to, any amendment which would change any provision relating to:

- A. voting rights;
- B. reserves for maintenance, repair and replacement of the Common Property;

- C. responsibility for maintenance and repair of the Common Property;
- D. convertibility of Homes into Common Property or vice versa (except as expressly contemplated by Articles IV and XI of this Declaration);
- E. expansion or contraction of the Common Property, or the addition, annexation or withdrawal of land to or from the Property (except as expressly contemplated by Article XI of this Declaration);
- F. insurance or fidelity bonds;
- G. leasing of Homes;
- H. imposition of any restrictions upon an Owner's right to sell or transfer his Home;
- I. a decision by the Association to establish self-management rather than professional management;
- J. restoration or repair of the Common Property (after damage, destruction or condemnation) in a manner other than that specified in this Declaration;
- K. any action to terminate the legal status of the Community after substantial damage or condemnation occurs;
- L. rights to the use of Common Property;
- M. any provisions that expressly benefit Eligible Mortgage Holders; or

N. assessment allocations, assessment liens or subordination of assessment liens.

10.05. Prior Written Approval of 67% of Eligible Mortgage Holders. The prior written approval of at least sixty-seven (67%) percent of the Eligible Mortgage Holders is required before the effectuation of any decision by the Owners to terminate the Declaration.

10.06. Notice of Non-Material Amendment. Any Eligible Mortgage Holder shall not receive notice from the Association, of any proposed non-material amendment to this Declaration, the By-Laws or the Certificate of Incorporation of the Association.

10.07. Common Expense Lien Subordinate. Except to the extent permitted by any applicable law authorizing the establishment of a limited lien priority for the payment of Common Expense Assessments, any lien the Association may have on any Home in the Entire Tract is subordinate to the lien or equivalent security interest of any First Mortgage on the Home recorded prior to the date any such Common Expense Assessment became due.

10.08. Maintenance and Inspection of Records. The Association shall maintain current copies of the Governing Documents, and any respective amendments and/or supplements thereto, as well as its own books, records and financial statement available for inspection by Owners and Mortgage Holders. Any Mortgage Holder shall upon prior written request:

(i) be permitted to inspect the documents, books and records of

the Association during normal business hours subject to such reasonable rules and regulations as may be established by the Board; and (ii) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

10.09. Notice of Meetings. Any Eligible Mortgage Holder shall receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

10.10. Liability for Common Expense Assessments. Any Mortgage Holder that obtains title to a Home as a result of foreclosure of the First Mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Home or chargeable to the former Owner which became due prior to acquisition of title. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Owners including such acquirer, his successors and assigns.

10.11. Management Agreements. The term of any management agreement for the Common Property shall not exceed two (2) years and shall provide for the Association's ability to terminate same without penalty, and with or without cause, at the end of the month following the month in which a notice of termination is given.

10.12. Common Expense Default. Despite the absence of any express provision to such effect in any Mortgage instrument, in the event that there is any default in the payment of any installment of any assessment with respect to any Home, any Mortgage Holder holding a Mortgage which encumbers such Home shall be entitled to declare such Mortgage in default in the same manner that is permitted by such Mortgage with respect to any default in the payment of real estate taxes.

ARTICLE XI

DEVELOPER'S RIGHTS AND OBLIGATIONS

11.01. Ratification, Confirmation and Approval of Agreements. The fact that some or all of the Officers, Trustees, Members or employees of the Association and the Developer may be identical and the fact that the Developer or its nominees have heretofore or may hereafter enter into agreements with the Association or with third parties will not invalidate any such agreements and the Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Home and the acceptance of the Deed therefore by any party shall constitute the ratification, confirmation and approval by such purchaser, its heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or any other agreements authorized and permitted by this Declaration, the Certificate of Incorporation or the By-Laws.

11.02. Rights Reserved to Developer. Despite anything to the contrary in this Declaration or the Certificate of Incorporation or By-Laws of the Association, the Developer hereby reserves for itself, its successors and assigns without the consent of the Board, the Association, any Owner or any Mortgage Holder:

- (a) The right to sell, lease, mortgage or sublease any unsold Homes within the Entire Tract for so long as it owns one or more Homes in the Entire Tract for sale in the ordinary course of business;
- (b) The right to use one or more Homes as models or a sales office or both and the right to post signs and other advertising material until it has sold the last Home within the Entire Tract, as fully developed. The Developer reserves the right to use the Clubhouse for marketing purposes until it has sold the last Home within the Entire Tract, as fully developed. However, the time to exercise such rights shall in no event exceed ten (10) years from the date of recordation of the Declaration during the ordinary course of business.

11.03. Transfer of Special Developer's Rights. No special rights created or reserved to the Developer under this Declaration ("Special Developer's Rights") may be transferred

except by an instrument evidencing the transfer recorded in the Office of the Atlantic County Clerk, New Jersey. The instrument shall not be effective unless executed by the transferee.

11.04. Liability of Transferor. Upon transfer of any such Special Developer's Right, the liability of the transferor is as follows:

- A. A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon it. Lack of privity does not deprive any Owner of standing to bring an action to enforce any obligation of the transferor.
- B. If a transferor retains any such Special Developer's Right, or if a successor to any such Special Developer's Right is an Affiliate of the Developer, the transferor is subject to liability for all obligations and liabilities imposed on a Developer or by the Declaration, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Community.
- C. A transferor that retains no such Special Developer's Rights has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of any such Special Developer's Right by a successor

Developer which is not an Affiliate of the transferor.

11.05. Transfer of Rights Requested. Unless otherwise provided in a mortgage instrument or deed of trust in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings of any Homes owned by Developer in the Entire Tract, a person or entity acquiring title to all the Homes being foreclosed or sold, but only upon its request, succeeds to all such Special Developer's Rights or only to any such Special Developer's Rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Developer's Rights requested.

11.06. Right to Incorporate Additional Sections and Homes Into Community. Despite anything contained in this Declaration, and subject to all required governmental approvals, if any, the Developer, on behalf of itself, its successors and assigns, hereby reserves the right, for a period of ten (10) years from the date of the recording of this Declaration, to develop some or all of the undeveloped portions of the Entire Tract, to incorporate additional Homes and/or modify existing Homes, to incorporate additional site improvements and/or to modify existing site improvements into the Entire Tract by recording one or more Amendments and Supplements to this Declaration without the consent of the Board of Trustees, the Association, any Owner, any Institutional Lender, or any other party holding a legal or equitable interest in the Entire Tract

to incorporate within the Entire Tract some or all of the Entire Tract and to incorporate additional Sections, phases, Lots, Homes, and site improvements and, thereby, to subject same to the Planned Real Estate Full Disclosure Act and the terms and provisions of this Declaration. Such incorporation may result in the Entire Tract consisting of up to three hundred and ninety-seven (397) Homes as now or hereafter approved for development upon the Entire Tract by Resolutions of the Planning Board of the Township of Egg Harbor. The actual development of the Entire Tract 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 Resolution and the development plan from time to time. Such modification and/or amendment may include changing the aggregate number of Homes contemplated for the Entire Tract or of any Section of development thereof as well as the configuration; design; mix; materials, including the material currently specified as the surface material for the existing proposed 6 foot side natural wood chip trail; model type; floor plans; and/or orientation of the Homes. Any Amendment and Supplement to this Declaration shall not be operative until duly recorded in the Atlantic County Clerk's Office. The Amendment and Supplement shall also be registered with the New Jersey Department of Community Affairs, pursuant to N.J.S.A. 45:22A-21 et seq. and the regulations promulgated thereunder.

Despite the foregoing, the Developer shall be under no obligation to incorporate any specific number of Homes into the

Entire Tract. The Developer's reserved right to incorporate additional Homes as part of the Entire Tract shall be exercised by the Developer by the recordation in the Atlantic County Clerk's Office of an appropriate Amendment and Supplement to this Declaration expressly incorporating the additional Homes into the Entire Tract. Any such Amendment and Supplement shall include such amendatory, supplemental or replacement exhibits as are necessary to legally and graphically identify the additional Homes. When recorded, any such Amendment and Supplement shall be fully binding upon all contract purchasers, Owners, holders of mortgages encumbering Homes and any other lienholder or party having a legal or equitable interest in the Entire Tract.

11.07. Foreclosure, Bankruptcy, Receivership. Upon foreclosure, sale by a trustee under a deed of trust or sale under any bankruptcy or receivership proceedings of all Homes in the Entire Tract owned by Developer:

- A. the Developer ceases to have any such Special Developer's Rights, and
- B. the period of Developer control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Developer's Rights to a successor to Developer.

11.08. Liability of Successors. The liabilities and obligations of persons or entities who succeed to all Special Developer's Rights as follows:

- A. A successor to all such Special Developer's Rights which is an Affiliate of the Developer is subject

to all obligations and liabilities imposed on any Developer by law or by the Declaration.

B. A successor to all such Special Developer's Rights, other than a successor described in subparagraphs C and D which is not an Affiliate of the Developer, is subject to all obligations and liabilities imposed upon the Developer by law or this Declaration, but it is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Developer or made before the Property was created or for a breach of fiduciary obligation by any previous Developer.

C. If it is not an Affiliate of the Developer, a successor to only a Special Developer's Right to maintain models, sales offices and signs may not exercise any other Special Developer's Right, but is not subject to any liability or obligation as a Developer.

D. A successor to all Special Developer's Rights which is not an Affiliate of Developer and which succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Homes under subparagraph C aforesaid may declare its intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until

transferring all such Special Developer Rights to any person acquiring title to any Home owned by the successor or until recording an instrument permitting exercise of all those rights, that successor may not exercise any rights other than the right to control the Board of Trustees for the duration of any period of Developer control and any attempted exercise of those rights is void. So long as a successor Developer may not exercise special rights under this Section, it is not subject to any liability or obligation as a Developer other than liability for the successor's acts and omissions under this Declaration.

11.09. Ineffectiveness. Nothing in this Article XI subjects any successor to a Special Developer's Right to any claims against or other obligations of a transferor other than claims and obligations arising under this Declaration.

ARTICLE XII

GENERAL PROVISIONS

12.01. Duration. The provisions of this Declaration shall be perpetual in duration, shall run with and bind all of the land incorporated within the Entire Tract and shall inure to the benefit of and be enforceable by the Association and the Owners, their respective successors, assigns, heirs, executors, administrators, and personal representatives, except that the covenants and restrictions set forth in Section 9.01 shall have an initial term of forty (40) years from the date this

Declaration is recorded in the office of the Atlantic County Clerk, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) in interest of the Owners at the time of expiration of the initial period, or of any extension period, shall sign an instrument or instruments (which may be in counterparts) in which they shall agree to change said covenants and restrictions in whole or in part; but no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Owner at least ninety (90) days in advance of the action taken in authorizing said agreement; and any changes concerning any such agreement shall become effective and binding at such time as approved, and communicated in writing to the Owners provided further, that in no event may the Entire Tract be conveyed to any third person, firm or corporation, without the express consent, by ordinance, of the governing body of the Township of Egg Harbor (or such municipal corporation or other governmental entity as may then have zoning and subdivision jurisdiction over the Entire Tract).

12.02. Amendment of Declaration. Except as otherwise expressly provided herein, this Declaration may be amended at any time after the date hereof by a vote of those Owners in good standing representing at least sixty-seven percent (67%) of all Owners, at any meeting of the Association duly held in accordance with the provisions of the By-Laws. However, any amendment of Section 2.03, 6.08A, 6.08C, 7.06 or 12.04 of this

Declaration shall also require the prior written approval of the Township of Egg Harbor. No amendment shall be effective until recorded in the Office of the Atlantic County Clerk. This Section is by way of supplement to and not in derogation of the powers of amendment reserved to Developer pursuant to Articles VIII and XI hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the office of the Atlantic County Clerk, New Jersey. Despite the foregoing, any amendment so requiring it under the provisions of Article XI, shall also have the prior written approval of fifty-one (51%) percent of the Eligible Mortgage Holders.

12.03. Enforcement. In addition to the other remedies provided to the Association under the Governing Documents or by law, enforcement of this Declaration shall be by any appropriate proceeding in law or equity in any court or administrative tribunal having jurisdiction against any person or persons, firm or corporation violating or attempting to violate any covenant herein contained either to restrain or enjoin such violation or threatened violation or to recover damages and against any Owner to enforce any lien created by this Declaration or any covenant herein contained. Failure by the Association or any Member thereof to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

12.04. Maintenance by Municipality. In the event the Property is not maintained in reasonable order and condition, the Township of Egg Harbor shall have the right to enter upon and maintain it. The assumption of such maintenance responsibility shall be in accordance with the procedure set forth in N.J.S.A. 40:55D-43(b). The cost of same shall be assessed, enforced and collected in accordance with the provisions of N.J.S.A. 40:55D-43(c). Despite any limitations as to the applicability of N.J.S.A. 40:55D-43(b) and (c) to the maintenance of "open space", provisions of this Section shall be deemed to apply to all maintenance obligations as set forth in this Declaration. The cost of such maintenance by the municipality shall be assessed pro rata against the Owners of each Home affected thereby, shall become a lien and tax on each such Home and shall be enforceable by the Township of Egg Harbor in the manner provided by law with respect to real estate taxes assessed directly against each such Home. The Township of Egg Harbor shall have no obligation to proceed as set forth herein and the Association will hold the Township of Egg Harbor harmless for any liability arising from the Township of Egg Harbor's actions or failure to act with respect to the maintenance of the Property. All of the above provisions are subject and subordinate to the provisions of N.J.S.A. 40:55D-43 and any amendments and/or supplements thereto. This Section 12.04 is expressly understood to be applicable to but not limited to the drainage basin located within the Common Property and for which the Association is responsible.

12.05. Validity. The invalidity of any provision of this Declaration, the Certificate of Incorporation or By-Laws of the Association shall not be deemed to impair or affect the validity or enforceability of the remainder of the Declaration, Certificate of Incorporation or By-Laws and all other provisions of this Declaration, Certificate of Incorporation and By-Laws shall continue in full force as if such invalid provisions had never been included.

12.06. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.07. Gender and Number. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

12.08. Rule Against Perpetuities. If any provision of this Declaration or the By-Laws shall be interpreted to constitute a violation of the rule against perpetuities, such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendants of George Herbert Walker Bush, former President of the United States of America, plus twenty-one (21) years thereafter.

12.09. Notice - Association. Unless a particular document permits or requires a particular notice to be given or served in a different manner, notice permitted or required to be

given to or served upon the Association under the Association's Governing Documents shall be deemed to have been properly given to or served upon the Association when same is mailed via the United States Postal Service by certified mail, with return receipt requested and sufficient prepaid postage affixed thereto, addressed to the current Secretary or corporate Registered Agent of the Association as reflected in the official records of the New Jersey Secretary of State as of the date such notice is mailed.

12.10. Conflict. In the event of a conflict of interpretation between the provisions set forth in this Declaration and the By-Laws, this Declaration shall govern. In the event any provision of this Declaration is in conflict with any mandatory provision of any applicable federal, State, County or municipal statute, regulation, resolution, ordinance or other judicial, legislative or executive "law", the terms of such statute, regulation, ordinance or other law shall govern. In the event that either the Fair Housing Act is hereafter amended or changed, both the Declaration and the By-Laws shall be interpreted in such a manner as to conform to the provisions of the Fair Housing Act with respect to "55 or Over Housing" for older persons, it being the intention to maintain the "55 or Over Housing" for older persons exemption for the Community under the Fair Housing Act.

12.11. Exhibits. Attached hereto and made a part hereof are the following Exhibits:

- 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 - Subdivision Plat 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

IN WITNESS WHEREOF, the Developer has caused this Declaration to be executed on the date first mentioned above.

D.R. HORTON, INC. - NEW JERSEY
a Delaware Corporation

ATTEST:

Susan Bernstein,
Assistant Secretary

By: _____
James M. Corbett
President

STATE OF NEW JERSEY)
)SS.:
COUNTY OF MONMOUTH)

I am _____, an officer authorized to take acknowledgments and proofs in this State.

On _____, 2004, SUSAN BERNSTEIN (the "Witness") appeared before me in person. The Witness was duly sworn by me according to law under oath and stated and proved to my satisfaction that:

1. The Witness is the Assistant Secretary of D.R. HORTON, INC. - NEW JERSEY (the "Corporation") which is the Grantor in this Declaration of Covenants and Restrictions.

2. The officer who signed this Declaration is the President of the Corporation.

3. The making, signing, sealing and delivery of this Declaration have been duly authorized by a proper resolution of the Board of Directors of the Corporation.

4. The Witness knows the corporate seal of the Corporation. The seal was affixed to this Deed by the Corporate Officer. The Corporate Officer signed and delivered this Deed as and for the voluntary act and deed of the Corporation. All this was done in the presence of the Witness who signed this Declaration as attesting witness. The Witness signs this proof to attest to the truth of these facts.

Sworn to and Subscribed
before me on this _____
day of _____, _____

Susan Bernstein
Assistant Secretary

Notary Public

EXHIBIT A

to

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

**Legal (Metes and Bounds) Description of
The Village Grande at English Mill**

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consulting engineer services

Engineers, Planners, and Land Surveyors

February 4, 2004

LEGAL DESCRIPTION

VILLAGE GRANDE AT ENGLISH MILL - PHASE I & PHASE II

EXHIBIT PLAN FOR PHASE I & PHASE II

LANDS SITUATE

EGG HARBOR TOWNSHIP, ATLANTIC COUNTY, NEW JERSEY

Beginning at a point in the curved existing Northeasterly right-of-way line of Mill Road (C.R. #662), perpendicular to and 33.00 Feet distant from the centerline thereof, said point being the westerly corner of Lot 17, Block 3301, and extending from said point of beginning; Thence

- 1) Along the existing Northeasterly right-of-way line of Mill Road, along a curve curving to the left, having a Radius of 2325.01 Feet, with an interior angle of 6 Degrees 21 Minutes 59 Seconds, and an Arc length of 258.35 Feet, (Chord: N 61°50'42" W, 258.21'), to a point of tangency; Thence
- 2) Continuing along the existing Northeasterly right-of-way line of Mill Road, North 65 Degrees 01 Minutes 42 Seconds West, a distance of 410.95 Feet, to a point; Thence
- 3) Leaving said right-of-way line, North 04 Degrees 31 Minutes 52 Seconds West, a distance of 722.47 Feet, to a point common corner to Lot 1, Block 3301 and Lots 101 & 105, Block 3323 and in the line of Lot 2, Block 3301; Thence
- 4) Along the division line of Lot 105, Block 3323, common with Lots 2, 3, 4, 5, 6, 7 & 8, Block 3301, North 71 Degrees 36 Minutes 35 Seconds East, a distance of 1362.48 Feet, to a point; Thence
- 5) Continuing along said common division line, North 03 Degrees 52 Minutes 51 Seconds West, a distance of 244.73 Feet, to a point common corner to Lots 105 & 143, Block 3323 and in the division line of Lot 8, Block 3301; Thence
- 6) Along the division line common to Lots 105 & 143, Block 3323, North 75 Degrees 10 Minutes 58 Seconds East, a distance of 297.00 Feet, to a point in the Southerly right-of-way line of High School Drive (50.00' Wide); Thence
- 7) Along the Southerly right-of-way line of High School Drive, North 82 Degrees 20 Minutes 58 Seconds East, a distance of 884.40 Feet, to a point; Thence
- 8) Along the division line common to Lots 105 & 175, Block 3323, North 87 Degrees 45 Minutes 10 Seconds East, a distance of 153.63 Feet, to a point; Thence

150 Delsea Drive, Suite 1, Sewell, NJ 08080

856-228-2200 Fax 856-232-2346 design@ces-1.com www.ces-1.com

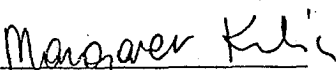
NJ Certificate of Authorization #GA276725

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- 9) North 04 Degrees 10 Minutes 38 Seconds West, a distance of 64.58 Feet, to a point in the Northerly right-of-way line of High School Drive (50.00' Wide), said point being corner to Lot 10, Block 3302 common with Lot 1, Block 3326; Thence
- 10) Continuing along the Northerly right-of-way line of High School Drive, North 82 Degrees 20 Minutes 58 Seconds East, a distance of 115.67 Feet, to a point of curvature; Thence
- 11) Continuing along said Northerly and Northwesterly right-of-way line, along a curve curving to the left, having a Radius of 175.00 Feet, with an interior angle of 22 Degrees 38 Minutes 29 Seconds, and an Arc length of 69.15 Feet (Chord: N 71°01'44" E, 68.70'), to a point of tangency; Thence
- 12) Continuing along the Northwesterly right-of-way line of High School Drive, North 59 Degrees 42 Minutes 30 Seconds East, a distance of 246.02 Feet, to a point of curvature; Thence
- 13) Continuing along the Northwesterly and Northerly right-of-way line of High School Drive, along a curve curving to the right, having a Radius of 300.00 Feet, with an interior angle of 51 Degrees 49 Minutes 40 Seconds, and an Arc length of 271.37 Feet (Chord: N 85°37'20" E, 262.21'), to a point of tangency; Thence
- 14) Leaving the Northerly right-of-way line of High School Drive, and running along the division line of Lot 1, Block 3326, common with Lot 10, Block 3302, North 04 Degrees 05 Minutes 00 Seconds West, a distance of 1191.20 Feet, to a point; Thence
- 15) Continuing said common division line, and along a curve curving to the right, having a Radius of 240.00 Feet, with an interior angle of 34 Degrees 13 Minutes 08 Seconds, and an Arc length of 143.34 Feet (Chord: N 85°34'52" W, 141.21'), to a point; Thence
- 16) Continuing along same, and along a curve curving to the right, having a Radius of 240.00 Feet, with an interior angle of 101 Degrees 19 Minutes 43 Seconds, and an Arc length of 424.44 Feet (Chord: N 88°58'36" W, 371.25'), to a point; Thence
- 17) Continuing along same, South 83 Degrees 36 Minutes 29 Seconds West, a distance of 53.90 Feet, to a point; Thence
- 18) Continuing along same, and along a curve curving to the right, having a Radius of 240.00 Feet, with an interior angle of 20 Degrees 59 Minutes 02 Seconds, and an Arc length of 87.90 Feet (Chord: S 87°27'41" W, 87.41'), to a point; Thence
- 19) North 04 Degrees 10 Minutes 38 Seconds West, a distance of 945.76 Feet, to a point; Thence
- 20) South 72 Degrees 29 Minutes 24 Seconds East, a distance of 558.50 Feet, to a point; Thence
- 21) South 01 Degrees 56 Minutes 38 Seconds East, a distance of 7.39 Feet, to a point; Thence
- 22) South 88 Degrees 40 Minutes 50 Seconds East, a distance of 2328.94 Feet, to a point; Thence
- 23) North 73 Degrees 57 Minutes 10 Seconds East, a distance of 308.35 Feet, to a point; Thence
- 24) South 21 Degrees 32 Minutes 10 Seconds West, a distance of 743.41 Feet, to a point; Thence

- 25) North 68 Degrees 27 Minutes 50 Seconds West, a distance of 871.20 Feet, to a point; Thence
- 26) South 21 Degrees 32 Minutes 10 Seconds West, a distance of 500.00 Feet, to a point; Thence
- 27) North 68 Degrees 27 Minutes 50 Seconds West, a distance of 1274.31 Feet, to a point; Thence
- 28) South 81 Degrees 06 Minutes 25 Seconds West, a distance of 14.88 Feet, to a point; Thence
- 29) South 04 Degrees 05 Minutes 00 Seconds East, a distance of 268.90 Feet, to a point; Thence
- 30) South 68 Degrees 27 Minutes 50 Seconds East, a distance of 2042.07 Feet, to a point; Thence
- 31) South 21 Degrees 32 Minutes 10 Seconds West, a distance of 750.00 Feet, to a point; Thence
- 32) Along the division line of Lot 24, Block 3325, common with Lot 1, Block 4001, North 68 Degrees 27 Minutes 50 Seconds West, a distance of 871.20 Feet, to a point; Thence
- 33) South 21 Degrees 32 Minutes 10 Seconds West, a distance of 1457.99 Feet, to a point; Thence
- 34) Along the division line of Lot 1, Block 3324 common with Lots 12 & 13, Block 3301, North 68 Degrees 27 Minutes 50 Seconds West, a distance of 1014.26 Feet, to a point; Thence
- 35) Along the division line of Lot 1, Block 3324 common with Lots 13 & 15, Block 3301, South 15 Degrees 54 Minutes 55 Seconds East, a distance of 702.46 Feet, to a point; Thence
- 36) Along the division line of Lot 1, Block 3324 common with Lot 17, Block 3301, South 70 Degrees 26 Minutes 11 Seconds West, a distance of 2121.65 Feet, to the point and place of beginning.

Hereinabove described lands being all of Village Grande at English Mill "Phase I & Phase II", contains 173.87 Ac.±, and is graphically shown on the 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, as was prepared by Consulting Engineer Services, dated 2/04. CES Job #2171-01, File #2171-01-OS01_DRH.dwg.


MARGARET KULIK, P.L.S.
New Jersey License No. 38943

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EXHIBIT A-1

to

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

Legal (Metes and Bounds) Description of Phase I

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consulting engineer services

Engineers, Planners, and Land Surveyors

February 4, 2004

LEGAL DESCRIPTION
VILLAGE GRANDE AT ENGLISH MILL - PHASE I
EXHIBIT PLAN FOR PHASE I
LANDS SITUATE

EGG HARBOR TOWNSHIP, ATLANTIC COUNTY, NEW JERSEY

Beginning at a point in the curved existing Northeasterly right-of-way line of Mill Road (C.R. #662), perpendicular to and 33.00 Feet distant from the centerline thereof, said point being the westerly corner of Lot 17, Block 3301, and extending from said point of beginning; Thence

- 1) Along the existing Northeasterly right-of-way line of Mill Road, along a curve curving to the left, having a Radius of 2325.01 Feet, with an interior angle of 6 Degrees 21 Minutes 59 Seconds, and an Arc length of 258.35 Feet; (Chord: N 61°50'42" W, 258.21'), to a point of tangency; Thence
- 2) Continuing along the existing Northeasterly right-of-way line of Mill Road, North 65 Degrees 01 Minutes 42 Seconds West, a distance of 410.95 Feet, to a point; Thence
- 3) Leaving said right-of-way line, North 04 Degrees 31 Minutes 52 Seconds West, a distance of 722.47 Feet, to a point common corner to Lot 1, Block 3301 and Lots 101 & 105, Block 3323 and in the line of Lot 2, Block 3301; Thence
- 4) Along the division line of Lot 105, Block 3323, common with Lots 2, 3, 4, 5, 6, 7 & 8, Block 3301, North 71 Degrees 36 Minutes 35 Seconds East, a distance of 1362.48 Feet, to a point; Thence
- 5) Continuing along said common division line, North 03 Degrees 52 Minutes 51 Seconds West, a distance of 244.73 Feet, to a point common corner to Lots 105 & 143, Block 3323 and in the division line of Lot 8, Block 3301; Thence
- 6) Along the division line common to Lots 105 & 143, Block 3323, North 75 Degrees 10 Minutes 58 Seconds East, a distance of 297.00 Feet, to a point in the Southerly right-of-way line of High School Drive (50.00' Wide); Thence
- 7) Along the Southerly right-of-way line of High School Drive, North 82 Degrees 20 Minutes 58 Seconds East, a distance of 884.40 Feet, to a point; Thence
- 8) Along the division line common to Lots 105 & 175, Block 3323, North 87 Degrees 45 Minutes 10 Seconds East, a distance of 153.63 Feet, to a point; Thence

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- 9) North 04 Degrees 10 Minutes 38 Seconds West, a distance of 64.58 Feet, to a point in the Northerly right-of-way line of High School Drive (50.00' Wide), said point being corner to Lot 10, Block 3302 common with Lot 1, Block 3326; Thence
- 10) Continuing along the Northerly right-of-way line of High School Drive, North 82 Degrees 20 Minutes 58 Seconds East, a distance of 115.67 Feet, to a point of curvature; Thence
- 11) Continuing along said Northerly and Northwesterly right-of-way line, along a curve curving to the left, having a Radius of 175.00 Feet, with an interior angle of 22 Degrees 38 Minutes 29 Seconds, and an Arc length of 69.15 Feet (Chord: N 71°01'44" E, 68.70'), to a point of tangency; Thence
- 12) Continuing along the Northwesterly right-of-way line of High School Drive, North 59 Degrees 42 Minutes 30 Seconds East, a distance of 246.02 Feet, to a point of curvature; Thence
- 13) Continuing along the Northwesterly and Northerly right-of-way line of High School Drive, along a curve curving to the right, having a Radius of 300.00 Feet, with an interior angle of 51 Degrees 49 Minutes 40 Seconds, and an Arc length of 271.37 Feet (Chord: N 85°37'20" E, 262.21'), to a point of tangency; Thence
- 14) Continuing along the Northerly right-of-way line of High School Drive, South 68 Degrees 27 Minutes 50 Seconds East, a distance of 565.27 Feet, to a point in the centerline of Ivins Avenue (50.00' Wide); Thence
- 15) Along the centerline of Ivins Avenue, South 21 Degrees 32 Minutes 10 Seconds West, a distance of 982.99 Feet, to a point; Thence
- 16) Leaving said right-of way and running along the division line of Lot 1, Block 3324 common with Lots 12 & 13, Block 3301, North 68 Degrees 27 Minutes 50 Seconds West, a distance of 1014.26 Feet, to a point; Thence
- 17) Along the division line of Lot 1, Block 3324 common with Lots 13 & 15, Block 3301, South 15 Degrees 54 Minutes 55 Seconds East, a distance of 702.46 Feet, to a point; Thence
- 18) Along the division line of Lot 1, Block 3324 common with Lot 17, Block 3301, South 70 Degrees 26 Minutes 11 Seconds West, a distance of 2121.65 Feet, to the point and place of beginning.

Hereinabove described lands being all of Village Grande at English Mill "Phase I", contains 93.18 Ac.±, and is graphically shown on the plan entitled EXHIBIT PLAN FOR PHASE I, 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, as was prepared by Consulting Engineer Services, dated 2/04. CES Job #2171-01. File #2171-01-PH01_DRH.dwg.



MARGARET KULIK, P.L.S.
New Jersey License No. 38943

EXHIBIT B

to

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

**Overall Phase Plan for
The Village Grande at English Mill**

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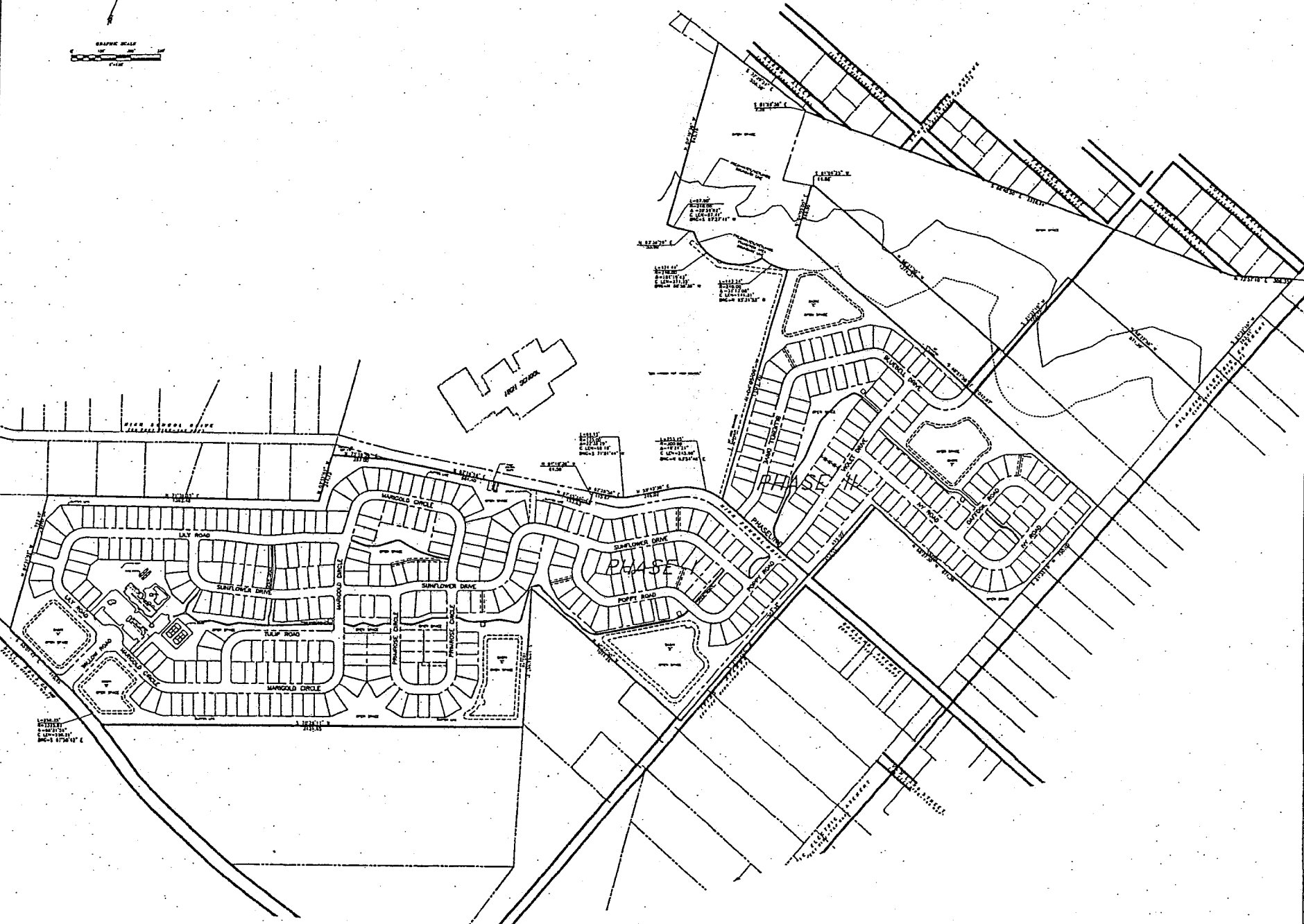


EXHIBIT PLAN FOR PHASE I & PHASE II
 VILLAGE GRANDE at ENGLISH MILL
 PLATS 22, BLOCK 3301, LOTS 8-11 & 16, BLOCK 3302,
 LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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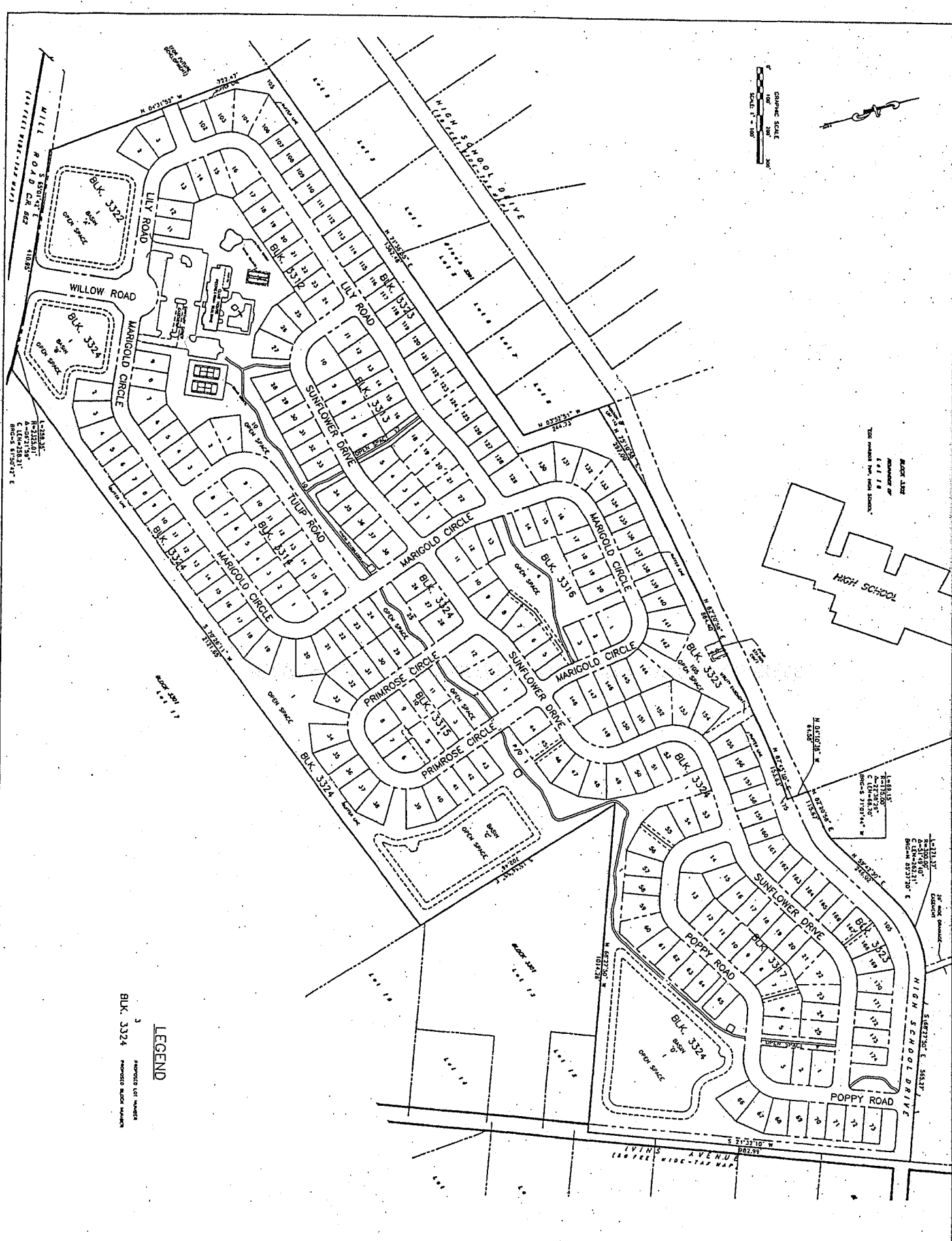
EXHIBIT B-1

to

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

Phase I Plan

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BLK. 3324

LEGEND

PROPOSED LOT NUMBER
PROPOSED BLOCK NUMBER

EXHIBIT PLAN FOR PHASE I
VILLAGE GRANDE at ENGLISH MILL
PLATE 33, BLOCK 3301, LOTS 9-11 & 16, BLOCK 3302,
LOTS 10, 92-94, 96-101, BLOCK 4001 LOTS 2, 3, & 8

Lot	Block	Area	Area
1	3301	1.11	1.11
2	3301	1.11	1.11
3	3301	1.11	1.11
4	3301	1.11	1.11
5	3301	1.11	1.11
6	3301	1.11	1.11
7	3301	1.11	1.11
8	3301	1.11	1.11
9	3301	1.11	1.11
10	3301	1.11	1.11
11	3301	1.11	1.11
12	3301	1.11	1.11
13	3301	1.11	1.11
14	3301	1.11	1.11
15	3301	1.11	1.11
16	3301	1.11	1.11
17	3301	1.11	1.11
18	3301	1.11	1.11
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20	3301	1.11	1.11
21	3301	1.11	1.11
22	3301	1.11	1.11
23	3301	1.11	1.11
24	3301	1.11	1.11
25	3301	1.11	1.11
26	3301	1.11	1.11
27	3301	1.11	1.11
28	3301	1.11	1.11
29	3301	1.11	1.11
30	3301	1.11	1.11
31	3301	1.11	1.11
32	3301	1.11	1.11
33	3301	1.11	1.11
34	3301	1.11	1.11
35	3301	1.11	1.11
36	3301	1.11	1.11
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39	3301	1.11	1.11
40	3301	1.11	1.11
41	3301	1.11	1.11
42	3301	1.11	1.11
43	3301	1.11	1.11
44	3301	1.11	1.11
45	3301	1.11	1.11
46	3301	1.11	1.11
47	3301	1.11	1.11
48	3301	1.11	1.11
49	3301	1.11	1.11
50	3301	1.11	1.11
51	3301	1.11	1.11
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58	3301	1.11	1.11
59	3301	1.11	1.11
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62	3301	1.11	1.11
63	3301	1.11	1.11
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65	3301	1.11	1.11
66	3301	1.11	1.11
67	3301	1.11	1.11
68	3301	1.11	1.11
69	3301	1.11	1.11
70	3301	1.11	1.11
71	3301	1.11	1.11
72	3301	1.11	1.11
73	3301	1.11	1.11
74	3301	1.11	1.11
75	3301	1.11	1.11
76	3301	1.11	1.11
77	3301	1.11	1.11
78	3301	1.11	1.11
79	3301	1.11	1.11
80	3301	1.11	1.11
81	3301	1.11	1.11
82	3301	1.11	1.11
83	3301	1.11	1.11
84	3301	1.11	1.11
85	3301	1.11	1.11
86	3301	1.11	1.11
87	3301	1.11	1.11
88	3301	1.11	1.11
89	3301	1.11	1.11
90	3301	1.11	1.11
91	3301	1.11	1.11
92	3301	1.11	1.11
93	3301	1.11	1.11
94	3301	1.11	1.11
95	3301	1.11	1.11
96	3301	1.11	1.11
97	3301	1.11	1.11
98	3301	1.11	1.11
99	3301	1.11	1.11
100	3301	1.11	1.11

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EXHIBIT C

to

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

**Certificate of Incorporation of
The Village Grande at English Mill
Homeowners Association, Inc.**

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CERTIFICATE OF INCORPORATION

FOR

THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION, INC.

DATED: _____

File and Return to:

GREENBAUM, ROWE, SMITH,
RAVIN, DAVIS & HIMMEL LLP
Attn: Christine F. Li, Esq.
P.O. Box 5600
Metro Corporate Campus I
Woodbridge, New Jersey 07095

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The undersigned, who is of full age, in order to form a corporation pursuant to the provisions of the New Jersey Nonprofit Corporation Act, Title 15A of the New Jersey Statutes Annotated, does hereby certify:

ARTICLE I

Name

The name of the corporation is "THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION, INC.," hereinafter called the "Association".

ARTICLE II

Principal Office

The principal office of the Association is located at 20 Gibson Place, Freehold, New Jersey 07728.

ARTICLE III

Registered Agent

MITCHELL NEWMAN, located at 20 Gibson Place, Freehold, New Jersey 07728, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and control of the Property described in the Exhibits of a certain Declaration entitled "Declaration of Covenants and Restrictions for The Village Grande at English Mill" recorded or intended to be recorded in the Office of the Clerk of Atlantic County, as same may be amended and supplemented as therein provided and to promote the health, safety and welfare of the residents within the above described property and for these purposes:

- A. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and in the By-Laws of the Association, as they both may be amended and supplemented from time to time as therein

provided, said Declaration and By-Laws being incorporated herein, as if set forth at length;

- B. To fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of said Declaration and By-Laws of the Association; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- C. To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- D. To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- E. To have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of New Jersey by law may now or hereafter have or exercise.

ARTICLE V

Membership

Every person or entity who is a record owner of a fee interest in any Home which is subject to the Declaration and qualifies in accordance with the By-Laws shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of any such Home shall be the sole qualification for membership. Upon termination of the interest of the Owner, his membership shall automatically terminate and shall be transferred and shall inure to the new Owner succeeding him in interest.

ARTICLE VI

Board of Trustees

The affairs of this Association shall be managed by a Board of Trustees. The initial Board of Trustees shall be composed of three (3) persons who need not be members of the Association. The number of Trustees may be changed pursuant to the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Trustees until the selection of their successors are:

Mr. Al Garfall
20 Gibson Place
Freehold, New Jersey 07728

Mr. Glen McDonald
20 Gibson Place
Freehold, New Jersey 07728

Mr. Mitchell Newman
20 Gibson Place
Freehold, New Jersey 07728

The method of electing Trustees shall be set forth in the By-Laws of the Association.

ARTICLE VII

Distribution of Assets

Upon dissolution, the assets of the Association shall be distributed as provided in the By-Laws of the Association.

ARTICLE VIII

Duration

The Association shall exist perpetually.

ARTICLE IX

Amendments

Amendment of this Certificate shall require the assent of seventy-five (75%) percent of the members of the Association.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of New Jersey, the undersigned, the incorporator of this Association, has executed this Certificate of Incorporation this _____ day of _____, 2004.

Christine F. Li

STATE OF NEW JERSEY:

: ss.:

COUNTY OF MIDDLESEX:

BE IT REMEMBERED, that on this _____ day of _____, 200____ before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared Christine F. Li, who, I am satisfied is the person named in and who executed the within Instrument, and thereupon acknowledged that she signed, sealed and delivered the same as her act and deed, for the uses and purposes therein expressed.

EXHIBIT D

to

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

**By-Laws of
The Village Grande at English Mill
Homeowners Association, Inc.**

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BY-LAWS

OF

THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION, INC.

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FOR

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BY-LAWS

OF

THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NATURE OF BY-LAWS

1.01. Purpose. These By-Laws are intended to govern the administration of The Village Grande at English Mill Homeowners Association, Inc. (the "Association"), a non-profit corporation organized under Title 15A of the New Jersey Statutes Annotated, and provide for the management, administration, utilization and maintenance of the Property described in the Declaration for The Village Grande at English Mill (the "Declaration"), and any amendments or supplements thereto.

1.02. Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the Declaration for The Village Grande at English Mill are incorporated herein by reference.

1.03. Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Trustees.

1.04. Principal Office. The principal office of the corporation is initially located at 20 Gibson Place, Freehold, New Jersey 07728.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

2.01. Members. Every person, firm, association, corporation or other legal entity, including the Developer, who is a record Owner or Co-Owner of the fee simple title to any Home shall be a Member of the Association; provided, however, that any person, firm, association, corporation, or legal entity who holds such title or interest to a Home merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Association. Despite anything to the contrary in the preceding, the Developer shall have one (1) membership in the Association for each contemplated Home which has not

been conveyed to an individual purchaser, not to exceed the number of Homes approved by the municipality.

2.02. Member in Good Standing. A Member shall be deemed to be in good standing for voting purposes, as well as any related requirement as may be established by the Board of Trustees, if, at least thirty (30) days prior to the date fixed for such meeting, he has fully paid all installments due for assessments made or levied against him and his Home by the Board of Trustees as hereinafter provided, together with all interest, costs, attorney's fees penalties and other expenses, if any, properly chargeable to him and to his Home. Any date set forth in these By-Laws for determining good standing for voting purposes, as well as any related requirement which may be established by the Board of Trustees, shall be deemed supplemental to, and not in derogation of, the record date provisions of N.J.S.A. 15A:5-7.

2.03. Associate Members. Every person who is entitled to possession and occupancy of a Home as a tenant or lessee of a Owner pursuant to Article X of the Declaration may be an Associate Member of the Association, but shall not be entitled to any vote with respect to Association matters.

2.04. Change of Membership. Change of membership shall be accomplished by recording in the Office of the Atlantic County Clerk a deed or other instrument establishing a record title to a Home, and delivery to the Secretary of the Association of a certified copy of such instrument, together with such sums of money as are required for the payment of any initiation fee, contribution to capital or escrow deposit. The membership of the prior Owner shall be thereby terminated.

2.05. Rights of Membership. Every person who is entitled to membership in the Association and permanently resides in a Home, pursuant to the provisions of the Certificate of Incorporation and these By-Laws, including any Associate Member, shall be privileged to use and enjoy the Common Property, subject to the right of the Association to:

- (a) Promulgate, adopt and enforce rules and regulations governing such use and enjoyment; and

- (b) Suspend the use and enjoyment of the Common Property as provided in Section 2.06; and
- (c) Transfer, grant or obtain easements, licenses and other property rights with respect to the Common Property as provided in Section 6.01(k) of Article VI hereof.

2.06. Suspension of Rights. The membership and voting rights of any member may be suspended by the Board of Trustees for any period during which any assessment against the Home to which his membership is appurtenant remains unpaid; but upon payment of such assessments, and any interest accrued thereon, and any costs associated with the collection thereof, including reasonable attorneys' fees, by cash, money order, or certified or collected funds, his rights and privileges shall be immediately and automatically restored. Section 2.02 hereof shall govern the restoration of voting rights. Further, if rule and regulations governing the use of the Common Property or Homes, or the conduct of persons in the Community thereon have been adopted and published, as authorized in these By-Laws, the rights and privileges of any person in violation thereof or in violation of any non-monetary covenant of the Declaration may be suspended at the discretion of the Board of Trustees for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board of Trustees until the Owner is afforded an opportunity for a hearing consistent with the principles of due process of law.

2.07. Association Initiation Fee. Each Owner, excluding Developer, shall pay to the Association upon acquisition of title to his Home a nonrefundable and nontransferable Association initiation fee of not more than \$350.00, 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. If imposed, payment of such sum shall be a condition precedent to exercise rights of membership in the Association upon the initial sale or a subsequent transfer of title to a Home. Any unpaid initiation fee shall be deemed a lien on the Home in the same manner as any unpaid Common Expenses attributable to such Home.

2.08. Contribution to Working Capital. Each Owner, excluding Developer, shall pay to the Association upon acquisition of title to his Home a nonrefundable and nontransferable contribution to the working capital of the Association in an amount of \$550.00 at the time of the acquisition, 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. Payment of such sum shall be a condition precedent to the exercise of rights of membership in the Association upon the initial sale or a subsequent transfer of title to a Home. Any unpaid working capital contribution shall be deemed a lien on the Home in the same manner as any unpaid Common Expenses attributable to such Home.

2.09. Votes. Each Owner shall be entitled to such vote(s) for each Home to which he holds title as is provided in Article V, Section 5.01 of the Declaration. When more than one person holds title, the vote(s) for each Home shall be exercised as the Co-Owners themselves determine. When one or more Co-Owners signs a proxy or purports to vote for his or her Co-Owners, such vote(s) shall be counted unless one or more of the other Co-Owners is present and objects to such vote(s); or, if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the vote(s) is counted. If Co-Owners disagree as to the vote(s), the vote shall be split equally among the Co-Owners.

ARTICLE III

MEETINGS OF OWNERS

3.01. Place of Meetings. All meetings of the Members of the Association shall be held at the Community or at such other place convenient to the members as may be designated by the Board of Trustees.

3.02. Annual Meetings. All annual meetings of the Association shall be held on the day and month of the year to be established by the Board of Trustees, except that the first such annual meeting shall be held not more than thirteen (13) months following the incorporation of the Association. The election of Trustees shall take place at each annual meeting subsequent to the Transition Elections held in accordance with Section 4.03. If the election of Trustees is not held at the annual meeting or any adjournment of such meeting, the Board of Trustees shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting, the Owners may elect the Trustees and transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting, and new proxies may be received for any such subsequent meeting.

3.03. Special Meetings. Following the Transition Elections, special meetings of Owners may be called by the President whenever he deems such a meeting advisable, or shall be called by the Secretary upon the order of the Board of Trustees or upon the written request of Members representing not less than twenty-five (25%) percent of all the votes entitled to be cast at such meeting. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Owners held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board of Trustees.

3.04. Notice of Meeting. Except as otherwise provided by law and Section 4.03 herein with respect to transition elections, law or these By-Laws, notice of each meeting of Owners, whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Owner at his last known address, by delivering a written or printed notice to each Owner, or by mailing such notice, postage prepaid. Every such notice shall state the time, place, and purpose of the meeting. Notice of any meeting of Owners shall not be required to have been sent to any Owners who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Owners shall not be required to be given except when expressly required by law. Except as otherwise expressly required by law, no publication of any notice of a meeting of Owners shall be required.

3.05. Quorum and Adjourned Meetings. At such meeting of the Association, persons (including Developer or its representatives) holding twenty-five (25%) percent of the authorized votes present, in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the person holding votes present in person or by proxy and entitled to vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

3.06. Organization. At each meeting of the Association, the President, or, in his absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Members in Good Standing present in person or represented by proxy, shall act as a chairperson, and the Secretary, or in his absence, a person whom the chairperson shall appoint, shall act as Secretary of the meeting.

3.07. Voting On Questions. Only Owners who are Members in Good Standing shall be entitled to vote on questions. A majority of votes present in person or by proxy at any duly constituted meeting of the membership shall

be sufficient on those questions submitted to a vote of the membership. The vote on any question need not be taken by ballot, unless (i) the chairperson of the meeting determines a ballot to be advisable, or (ii) a majority of the votes present at the meeting determine that the vote on the question submitted shall be taken by ballot.

3.08. Voting in Elections of Trustees. Only Owners who are Members in Good Standing shall be entitled to vote in elections of Trustees. The election of Trustees shall be conducted by written ballot, and the Owner(s) of each Home present in person or by proxy shall be entitled to one vote for each Home to which he holds title. If, at any meeting at which an election is held, more than twice the number of candidates to be elected are nominated, there shall be two ballots cast. At the end of the tabulation of the first ballot, the field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the remaining candidates receiving the fewest votes being eliminated from the ensuing ballot. A second ballot shall be held, and on the second ballot, the persons receiving the plurality of votes will be deemed to be elected in order to fill the vacant positions. If there are not more than twice the number of nominees for the number of positions to be filled, there shall be one ballot, with the persons receiving the highest numbers of votes being elected in order to fill the vacancies on the Board. If ever applicable, candidates polling the highest numbers of votes will be considered elected for the longest period of years. Election of Trustees at all meetings shall be in accordance with this Section 3.08.

3.09. Ballot by Mail. The Board, in lieu of calling a membership meeting, may submit any question or election other than a Transition Election to a vote of the membership by a ballot by mail. No ballot by mail shall be valid or tabulated unless the signature of the Owner(s) submitting the ballot has been verified on the ballot according to procedures adopted by the Board of Trustees, if any. The Board shall appoint judges to tabulate the ballot, whose report shall be included in the minute book. In order to conduct a ballot by mail for a question submitted to a vote of the membership, the Board

of Trustees shall serve a notice upon all Members in Good Standing which shall (i) state with specificity in terms of motion(s) the question(s) upon which the vote is to be taken; (ii) state the date by which ballots must be received in order to be counted; (iii) provide an official ballot for the purposes of the vote; and (iv) state the date upon which the action contemplated by the motion(s) shall be effective, which date shall be not less than ten (10) days after the date ballots must be received. No actions contemplated by a motion or question submitted to a ballot by mail shall be taken unless that number of Members in Good Standing that would constitute a quorum under the provisions of Section 3.05 herein submit ballots and a majority of the ballots cast approve such motion or question.

In order to conduct a ballot by mail for an election of Trustees, the Board shall serve a notice upon all Members which shall (i) provide an official ballot for the purposes of the election; and (ii) state the date by which the ballot must be received to be counted.

3.10. Proxies. Proxy ballots shall be permitted with respect to (i) all elections of Trustees, (ii) all amendments to the Certificate of Incorporation, the Declaration or these By-Laws, (iii) or any other matter which properly comes before a meeting of the membership of the Association. Each proxy shall be in writing, signed by the individual Owners (or in the case of joint owners by any one of them), or by his or their duly authorized representative(s) and delivered to the Secretary of the Association, or such other person as the President may designate, at least 24 hours prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at any time prior to the opening of the polls, and no proxy shall be voted on after eleven (11) months from its date unless the proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board of Trustees; and if not in such form, shall be deemed invalid, which determination shall be made in the sole and absolute discretion of the Board of Trustees.

3.11. Judges. If at any meeting of the Owners a vote by ballot shall be taken, the chairperson of such meeting shall appoint two (2) persons to act as Judges with respect to the ballots. Each Judge so appointed shall first subscribe an oath to execute faithfully the duties of a Judge with strict impartiality and according to the best of his ability. Such Judges shall decide upon the qualifications of voters, shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions; but, as to the election of Trustees, the number of votes received by each candidate need not be reported. Reports of Judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The Judges need not be Members of the Association, and any officer or Trustee of the Association may be a Judge on any question other than a vote for or against his election to any position with the Association or any other question in which he may be directly interested.

3.12. Order of Business. The order of business at the annual meeting of the Owners or at any special meetings insofar as practicable shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting and waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Appointment of Judges of Election, if appropriate.
- (e) Election of Trustees, if appropriate.
- (f) Receiving reports of officers.
- (g) Receiving reports of committees.
- (h) Old business.
- (i) New business.
- (j) Adjournment.

ARTICLE IV

BOARD OF TRUSTEES

4.01. Qualifications. The following criteria shall be qualifications for nomination, appointment or election to a Trusteeship:

- (a) Member in Good Standing: Membership in good standing and ownership of a Home shall be a qualification for nomination, appointment, election or service as a Trustee, and for continued service on the Board, excluding any Trustee representing the Developer.
- (b) Representation: Partnerships, corporations, limited liability companies or fiduciaries holding memberships in good standing may designate individuals to be eligible for nomination, appointment or election as Trustees in accordance with the following qualifications:
 - (i) Partnership designees shall be members, employees or agents of the partnership;
 - (ii) Corporate designees shall be officers, stockholders, employees or agents of the corporation;
 - (iii) Limited liability company designees shall be members or managers of the limited liability company; and
 - (iv) Fiduciary designees shall be fiduciaries, officers, or employees of the fiduciary.

Co-Owners holding a membership in good standing may designate any one of them, but only one of them, to be eligible for nomination, appointment or election as a Trustee; however, in the case of any disagreement, the express consent of a majority of such Co-Owners shall be required for any one of them to be eligible.

- (c) Disqualification of Trustees. Any Trustee whose membership in the Association is not in good standing for thirty (30) consecutive days shall automatically

be disqualified as a Director upon expiration of said thirty (30) day period and a replacement shall be appointed by the Board of Trustees within thirty (30) days thereafter to serve the remainder of the term as contemplated by Section 4.06 hereof.

Despite the aforesaid, any Trustee who conveys title to his Home and no longer holds title to any other Home is automatically disqualified as a Trustee effective on the date of said conveyance.

4.02. Number. The Board of Trustees shall initially consist of three (3) Trustees (Trustees "A", "B" and "C"). Upon the initial conveyance of one hundred (100) Homes (i.e. 25% of the total number of proposed Homes), the Board shall be expanded to five (5) Trustees, designated Trustees "A", "B", "C", "D", and "E".

4.03. Transition Elections. Within thirty (30) days after the initial conveyances by the Developer of one hundred (100) Homes (i.e. 25% of the total number of proposed Homes), the President shall call a special meeting of the Membership of the Association for the purpose of holding the first election of Owners to the Board of Trustees ("Transition Election"). At this special meeting, Owners other than Developer shall be entitled to vote for and elect Trustees A and B from among such Owners in accordance with the provisions of Article III of these By-Laws, and the Developer shall be entitled to appoint Trustees C, D and E.

Within thirty (30) days after the initial conveyance by the Developer of two hundred ninety-eight (298) Homes (i.e. 75% of the total number of proposed Homes), the President shall again call a special meeting of the Membership of the Association for the purpose of holding a Second Transition Election. At this special meeting, Owners other than the Developer shall be entitled to vote for and elect Trustees C and D from among such Owners in accordance with the provisions of Article III of these By-Laws and the Developer shall be entitled to appoint Trustee E for so long as any Home remains unsold in the ordinary course of its business.

Within thirty (30) days after all Homes have been initially conveyed, the President shall again call a special meeting for the third Transition Election at which Owners other than the Developer shall be entitled to vote for and elect Trustee E from among such Owners in accordance with the provisions of Article III hereof; provided that the Developer shall be entitled in its discretion to relinquish Trusteeship E at the time of the second Transition Election or any time thereafter prior to the conveyance of the last Home.

In spite of the foregoing, if ten (10) years after the conveyance of the first Home, Owners other than the Developer still own less than 298 Homes, Owners other than the Developer may elect Trustees sufficient to assume control of the Board 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).

Further, only Owners who are Members in Good Standing shall be eligible to be nominated, elected, or to serve on the Board of Trustees, except that in the case of Owners which are partnerships, corporations, limited liability companies or fiduciaries, including Developer, a designee shall be eligible if the Owner is a Member in Good Standing.

Notice of the special meetings called pursuant to this Section for the purpose of holding Transition Elections shall be given not less than twenty (20) nor more than thirty (30) days prior to the date of the meeting.

Regardless of whether or not administrative control of the Board of Trustees has been surrendered to the Owners, as improvements to the Common Property are completed, the Developer shall cause same to be turned over to the Association at which time the Association shall assume responsibility for the repair and maintenance of same. The satisfactory completion of such improvements shall be evidenced by a certificate signed by an independent architect or engineer selected by the Board of Trustees. This will in no way relieve the Developer of its warranty obligations pursuant to N.J.S.A. 46:3B-1 et seq.

4.04. Term of Office. Developer-appointed Trustees A and B shall serve until their successors have been qualified and elected at the Transition Election. Trustees A and B elected at the First Transition Election shall serve terms expiring at the annual meeting of the membership held in the second calendar year following the year in which the Transition Election is held. Trustees C, D and E shall serve a term expiring at the annual meeting held in the calendar year following the year in which the current term of Trustees A and B expires. Thereafter, all Trustees shall serve for two year terms.

It is the purpose and intent hereof that subsequent to the Second and Third Transition Elections, whichever is applicable, the terms of Trustees A and B shall expire in alternate years to the terms of Trustees C, D and E.

4.05. Removal of Members of the Board of Trustees. At any duly held and constituted regular or special meeting of the Owners, any one or more Trustees may be removed with or without cause by vote of the majority of the Owners present, provided that the notice of the meeting expressly includes this item. A successor may then and there be appointed by a majority of the remaining Owner-elected Trustees to fill the vacancy thus created. Each person so appointed shall be a Trustee for the remainder of the term of the Trustee whose term he is filling and until his successor is duly elected and qualified. Any Trustee whose removal has been proposed shall be given an opportunity to be heard at the meeting. The failure of any Trustee to be a Member in Good Standing for a period of thirty (30) days or more shall be grounds for removal without any vote of the Members. An Owner-elected Trustee cannot be removed except by a majority vote of the Owners present other than the Developer. In the event that all of the Trustees are removed, successors shall be elected by the Owners other than the Developer in the manner set forth in Section 4.03 to fill the vacancies thus created. This section shall not apply to any Trustee appointed by the Developer.

4.06. Vacancies. Vacancies on the Board of Trustees caused by any reason other than the removal of a Trustee by a vote of the Owners shall be filled by a vote of a majority of the remaining Trustees, including the

Developer's appointees, at a special meeting of the Board of Trustees held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Trustee for the remainder of the term of the Trustee whose term he is filling and until his successor shall have been duly elected and qualified. Despite the foregoing, until the First Transition Election, the Developer shall have the right to fill all vacancies on the Board of Trustees by appointment. Owner-elected vacancies on the Board of Trustees shall only be filled by Owners other than the Developer, whether same are appointed pursuant to the provisions herein, or elected pursuant to the provisions of Section 4.05.

ARTICLE V
TRANSACTION OF BUSINESS BY THE
BOARD OF TRUSTEES

5.01. Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board of Trustees, which shall have all those powers granted to it by the Certificate of Incorporation, the Declaration, these By-Laws, and by law.

5.02. Developer's Protective Provisions. After control of the Board of Trustees has become vested in Trustees elected by Members other than the Developer, and so long as the Developer owns at least one (1) Home and holds same for sale in the ordinary course of business, the following shall apply:

- (a) Neither the Association nor its Board of Trustees shall take any action that will impair or adversely affect the rights of the Developer or cause the Developer to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Homes, or the assessment of the Developer for capital improvements.
- (b) The Association and its Board of Trustees shall continue the same level of maintenance, operation and

services as provided immediately prior to the assumption of control of the Association and the Board of Trustees by Members other than the Developer.

(c) In furtherance of the foregoing provisions, the Developer shall have the right to veto any and all actions of the Association or the Board of Trustees which may have any direct or indirect detrimental impact upon the Developer as may be determined in the sole discretion of the Developer.

(d) The Developer shall exercise its veto right, in its sole and absolute discretion, within ten (10) days after its receipt of notice that a resolution or other action is proposed or within ninety (90) days of receiving notice that a resolution or other action has been taken by the Association or its Board of Trustees. In such event, the Developer shall notify the Secretary of the Association of its exercise of its veto right and any such proposal or action shall be deemed null and void ab initio and of no further force and effect.

The aforementioned protective provisions shall be construed in accordance with and not in derogation of N.J.A.C. 5:26-8.4 of the regulations promulgated pursuant to the New Jersey Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-1 et seq., and same shall not be amended without the express written consent of the Developer.

5.03. Meeting of the Board; Notices; Waiver of Notice. The first meeting of the Board shall be held within ten (10) days after the first annual meeting of the Owners and at such time and place as shall be fixed by a majority of the Board. No notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least two (2) meetings shall be held each year. Notice of regular meetings of the Board

shall be given to each Trustee by telephone, mail, or telegram at least three (3) days prior to the day of the meeting. Special meetings of the Board may be called by the President on three (3) days notice to each Trustee given by telephone, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in like manner and on like notice on the written request of at least two (2) Trustees. Any Trustee may waive notice of any meeting of the Board in writing at any time, and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by a Trustee at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Meetings of the Board of Trustees shall be conducted in accordance with N.J.S.A. 45:22A-46 and N.J.A.C. 5:20-1.1 and Section 5.08 herein.

5.04. Quorum and Adjourned Meetings. At all meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business and the votes of a majority of the Trustees present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board, there shall be less than a quorum present, the Trustee present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter.

5.05. Joinder in Meetings by Approval of Minutes. Subject to the provisions of N.J.S.A. 45:22A-46 and N.J.A.C. 5:20-1.1, the transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as if transacted at a meeting duly held after regular call and notice, if (i) a quorum is present; and (ii) either before or after the meeting, each Trustee signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the

resolution or act adopted at such meeting. All such waivers, consents or approvals shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

5.06. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

5.07. Consent in Lieu of Meeting and Vote. Subject to the provisions of N.J.S.A. 45:22A-46 and N.J.A.C. 5:20-1.1, despite anything to the contrary in these By-Laws, the Certificate of Incorporation or the Declaration, the entire Board of Trustees shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board, or all the Trustees empowered to act, whichever the case may be, shall consent in writing to such action.

5.08. Meetings Open to Owners; Notice. All Meetings of the Board of Trustees, except conferences or working sessions at which no binding votes are to be taken, shall be open to attendance by all Owners, subject to those exceptions set forth in N.J.S.A. 45:22A-46 and N.J.A.C. 5:20-1.1, as now or hereafter amended. The Board of Trustees may exclude or restrict attendance at those meetings, or portions of meetings, at which any of the following matters are to be discussed: 1) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; 2) any pending or anticipated litigation or contract negotiations; 3) any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; or 4) any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Association. Adequate written notice of the time, place and the agenda, to the extent known, of all such open meetings shall be given by the Board of Trustees to all Owners at least forty-eight (48) hours in advance of such meeting in the manner required by N.J.A.C. 5:20-1.2(b). Moreover, the Board of Trustees shall also within seven (7) days

following the Annual Meeting of the Association post, mail to newspapers and file with the administrator of the business office of the Association a schedule of the regular meetings of the Board of Trustees to be held in the succeeding year, as prescribed by N.J.A.C. 5:20-1.2(c) and make appropriate revisions thereto, all as required by N.J.A.C. 5:20-1.2(c)1.

ARTICLE VI

POWERS AND DUTIES OF BOARD OF TRUSTEES

6.01. General Powers and Privileges. Subject to the Declaration, the Association may do all that it is legally entitled to do under the laws applicable to its form of organization. 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. The Association shall 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.

The Board of Trustees shall have these powers, which include but which are not necessarily limited to the following, together with such other powers as may be provided herein or in the Declaration, or By-Laws, or which may be necessarily implied.

- (a) To employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board. Such manager or independent contractor shall be compensated upon such terms as the Board deems necessary and proper; and
- (b) To employ any person, firm or corporation to repair, maintain or renovate the Property; to lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on the Property; and

- (c) To employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and
- (d) To employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television; and
- (e) To adopt, amend, and publish rules and regulations covering the details of the operation and use of the Property; and
- (f) To employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board of Trustees hereunder; and
- (g) To arrange for security protection as necessary; and
- (h) To enforce obligations of the Owners and do anything and everything else necessary and proper for the sound management of the Property, including the right to bring or defend lawsuit to enforce the terms, conditions and restrictions contained in the Declaration, these By-Laws, or any Rules and Regulations; and
- (i) To borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; and
- (j) To invest and reinvest monies, sue and be sued, collect interest, dividends, and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and

- (k) To transfer, grant or obtain easements, licenses and other property rights with respect to the Property in a manner not inconsistent with the rights of Owners; and
- (l) To purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Owners, Homes offered for sale or lease or surrendered by their Owners to the Board provided that the foregoing shall not be construed to constitute a right of first refusal; and
- (m) To purchase Homes within the Community at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Owners; and
- (n) To sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Homes acquired by the Association, and sublease any such Homes leased by the Association or its designees, on behalf of all Owners; and
- (o) To bring and defend actions by or against more than one Owner which are pertinent to the operation of the Community, the health, safety or general welfare of the Owners, or any other legal action to which the Owners may consent in accordance with these By-Laws; and
- (p) To appoint an Insurance Trustee, who shall not be a Member of the Association, an employee of the Developer, or the manager, who shall discharge his duties in accordance with these By-Laws. In the absence of such an appointment, the Board of Trustees shall be responsible for the disposition of all insurance proceeds; and

- (q) To create, appoint members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board of Trustees in the discharge of its duties, functions and powers; and
- (r) To establish an Architectural Control Committee as hereinafter provided in Article X.

6.02. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board of Trustees to perform the following:

- (a) To cause the Common Property to be maintained according to accepted standards and as set forth in the Declaration. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first class quality; and
- (b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, to properly maintain and operate the Common Property. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association; and
- (c) To cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by Members entitled to cast at least twenty-five (25%) percent of the total votes of the Association; and
- (d) To allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Property

in accordance with the provisions of these By-Laws and the Declaration after damage or destruction by any casualty, or as a result of condemnation or eminent domain proceedings; and

(e) To take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies; and

(f) To manage the fiscal affairs of the Association as provided in Article VII;

(g) To cause the Community to continue to qualify as 55 or Over Housing under the "housing for older persons" exemption of the Fair Housing Amendments Act of 1988 and the Housing for Older Persons Act of 1995, by the publication and adherence to the policies and procedures that demonstrate said intent, including, but not limited to:

(i) the manner in which the Community is described to prospective Permitted Residents; the advertising designed to attract prospective Permitted Residents; the lease provisions; the Rules and Regulations, the Deed and the terms of the Declaration of Covenants and Restrictions, including all restrictions; the maintenance and consistent application of relevant procedures; actual practices of the Community; and the public posting on the Common Property of statements describing the Community as housing for persons 55 years of age or older;;

(ii) the enforcement of age restrictions contained in Article IV of the Declaration;

(iii) the Association must produce verification of compliance with the Act through reliable surveys and affidavits; the Association must develop procedures for routinely determining the occupancy of each Home, including the identification of Homes occupied by persons 55 years of age or older, which procedures must take place at least once every two years, which shall include appropriate documentation, including but not limited to, driver's license, birth certificate, certification or other document signed by a Permitted Resident asserting that at least one Permitted Resident of the Home is 55 years of age or older, except to the extent that particular persons have previously provided age verification, copies of which are still available in the records of the Association.

(h) To place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and Members including, but not limited to:

(i) Physical Damage Insurance. To the extent available in the normal commercial marketplace, broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all Common Property and supplies belonging to the Association, and

covering the interest of the Association, the Board, the Developer, all Owners and any Mortgage Holder who has requested the Association in writing to be named as loss payee, as their respective interests may appear, in an amount equal to the full replacement value of the Common Property (exclusive of foundations and footings). The amount of any deductible and the responsibility for payment of same shall be determined by the Board, in its sole discretion.

- (ii) Public Liability Insurance. To the extent available in the normal commercial marketplace, public liability insurance for personal injury and death from accidents occurring within the Community (and any other areas which the Board of Trustees may deem advisable) and the defense of any actions brought by injury or death of a person or damage to property occurring within the Community and not arising by reason of any act or negligence of any individual Owner. Such insurance shall be in such limits as the Board of Trustees may, from time to time, determine, covering each Trustee, officer, the managing agent, the manager, and each Member, and also covering cross liability claims of one insured against another. Until the first meeting of the Board of Trustees following the first annual meeting, such public liability insurance shall be in a single limit of \$1,000,000.00 covering all claims for personal injury or property damage arising out of any one occurrence. The

Board of Trustees shall review such limits once a year.

(iii) Trustees and Officers Liability Insurance. To the extent available in the normal commercial marketplace, liability insurance indemnifying and defending the Trustees and Officers of the Association for their own negligence, against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least \$1,000,000.00, with any deductible amount to be in the sole discretion of the Board of Trustees.

(iv) Workers Compensation Insurance. Workers compensation and New Jersey disability benefits insurance as required by law.

(v) Other Insurance. Such other insurance as the Board of Trustees may determine.

All policies shall: (i) provide that adjustment of loss shall be made by the Board of Trustees; (ii) to the extent obtainable contain agreed amount and inflation guard endorsements; construction code endorsement; contingent liability from operation of building laws endorsement; demolition cost endorsement; and increased cost of construction endorsement; (iii) require that the proceeds of physical damage insurance be applied to the restoration of such Property and structural portions and service machinery as required by the Declaration and these By-Laws; (iv) provide that the insurance will not be prejudiced by any act or omission of individual Members that are not under the control of the Association; (v) provide that the policy will be primary, even if insurance covering the same loss is held by any Member(s); (vi) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and (vii) provide that such policies may not be cancelled without

at least thirty (30) days prior written notice to all of the named insureds, including all Owners and Eligible Mortgage Holders.

All policies shall show the named insured as: "The Village Grande at English Mill Homeowners Association, Inc." and must require the insurer to notify in writing the Association and each Eligible Mortgage Holder or other entity named in the mortgagee clause at least thirty (30) days before it terminates or substantially changes the Association's coverage.

The Board of Trustees may determine, in its sole discretion, the amount of any deductible and the responsibility for payment of same as to any policy of insurance maintained under this subsection. Despite any other provisions of this subsection, the Association shall not be required to provide any type or amount of insurance not commonly available in the normal commercial marketplace.

The premiums for any and all insurance coverage maintained by the Association shall be a Common Expense of the Association.

In addition to the insurance required to be provided by Section 11.09 of the Declaration, Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and, further provided that the liability of the carriers issuing insurance obtained by the Board of Trustees shall not be affected or diminished by reason of any such additional insurance carried by any Owner.

ARTICLE VII

FISCAL MANAGEMENT

7.01. Budget; Common Expense Assessments. The Board of Trustees shall prepare an annual Common Expense budget which reflects the anticipated operating expenditures and repair and replacement reserve accumulation requirements for the next ensuing fiscal year of the Association. Common Expenses shall include, but are not limited to, the estimated costs for the operation, repair and maintenance of the Common Property, the estimated costs for the operation of the Association, and any reserves for deferred maintenance, replacement, or capital improvements of the Property. The Board

of Trustees shall have the duty to collect from each Owner, his heirs, administrators, successors and assigns, as "Common Expense Assessments," the proportionate part of the Common Expenses assessed against such Owner as provided in the Declaration, the Certificate of Incorporation, these By-Laws, and in accordance with applicable law.

7.02. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board of Trustees and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board of Trustees.

7.03. Disbursements. The Board of Trustees shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Declaration, Certificate of Incorporation, and applicable law.

7.04. Depositories. The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board of Trustees and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board of Trustees, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

7.05. Accounts. The receipts and expenditures of the Association shall be Common Expense Assessments and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board of Trustees shall deem appropriate, all of which expenditures shall be Common Expenses:

- (a) Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this

account shall be applied to reduce the assessments for current expenses for the succeeding year or may be distributed to the current membership in the same manner as assessed, as the Board of Trustees shall determine.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair or replacement of the Common Property and those portions of the improvements located on the Common Property which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items, which amounts and items shall be determined in the sole and absolute discretion of the Board of Trustees which may be exercised to the end that a determination may be made not to replace any given item upon the expiration of its useful life.

(d) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Common Property.

(e) Operations, which shall include all funds from the use of the Common Property or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the succeeding year, or at the

discretion of the Board of Trustees, distributed to the current membership in the same manner as assessed. Losses from operations or otherwise shall be met by special assessments against Owners, which assessments may be made in advance in order to provide a working fund.

(f) Working capital, including those nonrefundable and nontransferable initiation fees imposed upon each Owner upon acquisition of title to a Home pursuant to Section 2.07, which may be used by the Board of Trustees in its reasonable discretion to meet unanticipated or other expenses of the Association (but not in order to reduce the annual Common Expense assessment).

(g) Bulk real estate tax reserve, which shall be those funds collected by the Association as Miscellaneous Assessments to enable the Association to pay to the Township of Egg Harbor those amounts estimated or assessed and billed as real estate taxes against the Common Property as a whole until such time as the Township of Egg Harbor assesses and bills all real estate taxes on a per unit basis.

The Board of Trustees shall not be required to physically segregate the funds held in the above accounts except for reserves for replacement and repair, which funds must be maintained in separate accounts. The Board of Trustees may, in its sole discretion, maintain the remaining funds in one or more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

7.06. Reserves. The Board of Trustees shall not be obligated to spend all of the revenues collected in any accounting period and must maintain reasonable reserves for, among other things, repairs, replacements,

emergencies, contingencies for bad weather or uncollected accounts. Despite anything herein to the contrary, the Board of Trustees in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Owners as a capital contribution and is allocable to reserves for each separate item of capital improvement of and to the Common Property. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts, or certificates of deposit and shall not be utilized for any purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board of Trustees shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

7.07. Notice; Emergencies. The Board of Trustees shall give written notice to each Owner and Eligible Mortgage Holder of the amount estimated by the Board of Trustees for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Owner at his last known address by ordinary mail or by hand delivery. The notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. After the Developer turns over control of the Board of Trustees to the Owners, if an Annual Common Expense Assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment; and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the Annual Common Expense Assessment proves to be insufficient, the budget and Assessments may be amended at any time by the Board of Trustees, provided that nothing herein shall serve to prohibit or prevent the Board of Trustees from imposing an Emergency Assessment in the case of any immediate need or emergency that cannot be met by reserve funds allocated for such contingency.

7.08. Acceleration of Assessment Installment Upon Default. If an Owner shall be in default for more than thirty (30) days in the payment of an

installment upon any assessment, the Board of Trustees may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon notice to the delinquent Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Owner or not less than ten (10) days after the mailing of such notice to him by registered or certified mail; whichever shall first occur. If no such notice is given and default shall continue for a period of thirty (30) days, the Board of Trustees shall be required to accelerate the remaining installments of the assessment upon similar notice to the Owner and to file a lien for such accelerated assessment as permitted by law if the delinquent assessment has not been heretofore paid. In the latter event, the Board of Trustees may also notify any Eligible Mortgage Holder holding a mortgage which encumbers the Home affected by such default or publish appropriate notice of such delinquency to the membership of the Association. If any default continues for a period of ninety (90) days, the Board of Trustees shall foreclose the foregoing lien pursuant to law or commence a suit against the appropriate parties to collect the assessment or both.

7.09. Interest and Counsel Fees. The Board of Trustees at its option shall have the right in connection with the collection of any assessment, or other charge, to impose a late fee of any reasonable amount or interest at the legal maximum rate permitted by law for the payment of delinquent real estate taxes or both, if payment is made after a date certain stated in such notice. In the event that the Board of Trustees shall effectuate collection of assessments or charges by resort to counsel or the filing of a lien or both, the Board of Trustees may add to those assessments or charges as counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

7.10. Assessment of Expenses in Actions by or against Association;

Allocation of Awards.

(a) Common Expenses.

In the case of any action or proceeding brought or defended by the Association or the Board of Trustees pursuant to the provisions of the Declaration, Certificate of Incorporation, these By-Laws, or any Rule or Regulation, the reasonable costs and expenses of preparation and litigation, including attorneys' fees, shall be a Common Expense allocated among all Owners, other than Developer. All Common Expense assessments received and to be received by the Board of Trustees for the purpose of paying any judgment obtained against the Association or the Board of Trustees, and the right to receive such funds, shall constitute trust funds and shall be expended first for such purpose before being expended in whole or in part for any other purpose.

(b) Allocation of Awards.

Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied to (1) the payment of unpaid litigation expenses; (2) refunding to the Owners the cost and expenses of litigation advanced by them; (3) Common Expenses, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Property if recovery of damages to same was the motivation for the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall be at the discretion of the Board of Trustees treated either as (i) a common surplus which shall be allocated and distributed pursuant to the provisions of Section 6.18 of the Declaration or (ii) a set off against the Common Expense assessments. Despite the foregoing, if a Owner(s), the

Board of Trustees or any other person or legal entity affected by any such distribution shall assert that the damages sustained or the diminution in value suffered by a Owner(s) was disproportionate to his or their percentage of common interest, the matter shall be submitted to binding arbitration in accordance with the procedures set forth in Article XV hereof.

(c) Recovery by Owner

In the event that an Owner(s) obtains a judgment or order against the Association or the Board of Trustees, he shall also be entitled to the restitution or recovery of any sums paid to the Board of Trustees as Common Expense assessments for litigation expenses in relation to said action or proceeding in addition to any other sums to which said Owner(s) would otherwise be entitled by such judgment or order.

7.11. Power of Attorney to Holder of a Permitted Mortgage. In the event the Board of Trustees shall not cause the enforcement procedures provided in Sections 7.08 and 7.09 above to be implemented within the time provided, any holder of a Permitted Mortgage for any Home as to which there shall be such unpaid Common Expense assessments is hereby irrevocably granted a power of attorney to commence such actions and to invoke such other remedies, all in the name of the Association. This power of attorney is expressly stipulated to be coupled with an interest in the subject matter.

7.12. Annual Audit. The Board of Trustees shall submit the books, records, and memoranda of the Association to an annual audit by an independent, certified public accountant who shall audit same and render a report thereon in writing to the Board of Trustees and in summary form to the Owners and such Eligible Mortgage Holders or other persons, firms or corporations as may be entitled to same. While the Developer maintains a majority of the Board of Trustees, it 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 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.

7.13. Examination of Books. Each Owner shall be permitted to examine the books of account of the Board of Trustees by appointment in the offices of the Association or such other place as may be designated therefor by the Board of Trustees at a reasonable time on business days, provided, however, that the Treasurer has been given at least ten (10) days prior written notice of the Owner's desire to make such an examination.

7.14. Fidelity Bonds. The Board of Trustees shall require fidelity bonds from 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. This amount shall be determined by the Board of Trustees.

While the Developer maintains a majority of representation on the Board of Trustees, it 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.

ARTICLE VIII

OFFICERS

8.01. Designation. The principal officers of the Association shall be a President, a Vice-President, both of whom shall be members of the Board of Trustees, a Secretary and a Treasurer. The Board of Trustees may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two (2) offices, except that of President and Vice-President, may be held by one person.

8.02. Election of Officers. The officers of the Association shall be elected annually by the Board of Trustees at its first meeting following each annual meeting and such officers shall hold office at the pleasure of the Board of Trustees.

8.03. Removal of Officers. Upon an affirmative vote of a majority of the full number of Trustees, any officer may be removed, either with or without cause, after opportunity for a hearing, and his successor elected at any regular meeting of the Board of Trustees, or at any special meeting of the Board of Trustees called for such purpose.

8.04. Duties and Responsibilities of Officers.

- (a) The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Trustees. He shall have all of the general powers and duties which are usually vested in the office of President of an Association.
- (b) The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Trustees shall appoint some other Trustee to so do on an interim basis. The Vice-President also perform such other duties as shall from time to time be imposed upon him by the Board of Trustees.
- (c) The Secretary shall keep the minutes of all meetings of the Board of Trustees and the minutes of all meetings of the Members of the Association. He shall have charge of such books and papers as the Board of Trustees may direct. The Secretary shall, in general, perform all the duties incident to the office of the Secretary.

(d) The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be authorized by the Board of Trustees.

8.05. Other Duties and Powers. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Trustees.

8.06. Eligibility of Trustees. Nothing herein contained shall prohibit a Trustee from being an officer.

ARTICLE IX
COMPENSATION, INDEMNIFICATION AND
EXCULPABILITY OF OFFICERS, TRUSTEES,
AND COMMITTEE MEMBERS

9.01. Compensation. No compensation shall be paid to the President or the Vice-President or any Trustee, or committee member for acting as such. The Secretary or Treasurer or both may be compensated for their services if the Board of Trustees determines that such compensation is appropriate. Nothing herein stated shall prevent any officer, Trustee, or committee member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided that any such expenses incurred or services rendered shall have been authorized in advance by the Board of Trustees.

9.02. Indemnification. Each Trustee, officer or committee member of the Association shall be indemnified and defended by the Association against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or

proceeding to which he may be a party by reason of his being or having been a Trustee, officer, or committee member of the Association, or delegee, except as to matters for which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. That is, each Trustee, Officer or Committee Member shall be entitled to indemnification for any loss, including reasonable attorneys' fees, for such ordinary negligence as may be attributable thereto. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

9.03. Exculpability. Unless acting in bad faith, neither the Board of Trustees as a body nor any Trustee, officer, or committee member shall be personally liable to any Owner in any respect for any action or lack of action arising out of the execution of his office. Each Owner shall be bound by the good faith actions of the Board of Trustees, officers and committee members of the Association, in the execution of the duties of said Trustees, officers and committee members. Nothing contained herein shall be construed to exculpate members of the Board of Trustees appointed by the Developer from discharging their fiduciary responsibilities.

ARTICLE X

ARCHITECTURAL CONTROL COMMITTEE

10.01. Purpose. The Board of Trustees may establish an Architectural Control Committee, consisting of three (3) to five (5) members appointed by the Board of Trustees, each to serve for a staggered term of two years, in order to assure that the Property shall always be maintained in a manner:

- (a) providing for architectural consistency, visual and aesthetic harmony and soundness of repair;
- (b) avoiding activities deleterious to the aesthetic or property values of the Community;

- (c) furthering the comfort of the Owners, their guests, invitees and lessees; and
- (d) promoting the general welfare and safety of the Property.

10.02. Powers. The Architectural Control Committee, if established, shall regulate the external design, appearance, use and maintenance of the Common Property in accordance with standards and guidelines contained in the Declaration or these By-Laws or otherwise adopted by the Board of Trustees. The Architectural Control Committee shall have the power to issue a cease and desist order to an Owner, his guests, invitees or lessees whose actions are inconsistent with the provisions of the Governing Documents (upon petition of any Owner or upon its own motion). The Architectural Control Committee shall provide interpretations of the Governing Documents requested to do so by an Owner or the Board of Trustees. Any action, ruling or decision of the Architectural Control Committee may be appealed to the Board of Trustees by any party deemed by the Board of Trustees to have standing as an aggrieved party, within forty-five (45) days of the receipt of the written determination of the Architectural Control Committee. If said action, ruling or decision is appealed to the Board of Trustees within said forty-five (45) day period, the Board of Trustees may modify, reverse or confirm any such action, ruling or decision. If said action, ruling or decision is not appealed to the Board of Trustees within said forty-five (45) day period, the decision of the Architectural Control Committee shall be binding. The decision of the Board of Trustees can only be appealed to a court of competent jurisdiction or, with the consent of the parties, to an independent arbitrator for binding arbitration, subject to the right of mediation in Section 12.05 hereof.

10.03. Authority. The Architectural Control Committee shall have such additional duties, power and authority as the Board of Trustees may from time to time provide, pursuant to Section 12.02 hereof. The Board of Trustees may relieve the Architectural Control Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Architectural

Control Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations adopted by the Board of Trustees. Despite the foregoing, no action may be taken by the Architectural Control Committee without giving the Owner(s) involved at least ten (10) days prior written notice and affording him the opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

ARTICLE XI

OTHER COMMITTEES

11.01. Committees. The Board of Trustees may appoint other committees of the Association, including, but not limited to, an Alternative Dispute Resolution Committee ("ADR Committee"), from time to time as needed. Each committee shall consist of a chairman and two or more members and shall include a member of the Board of Trustees.

11.02. Subcommittees. Each of the committees shall have power to appoint a subcommittee from among its members and may delegate to any such subcommittee any of its powers, duties and functions.

11.03. Duties. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Trustee or officers of the Association as is further concerned with the matter presented.

ARTICLE XII

ENFORCEMENT

12.01. Enforcement. The Board of Trustees shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, by any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authorities; or by taking any other action before any court, summary or otherwise, as may be provided by law.

12.02. Fines. To the extent now or hereafter permitted by the law of the State of New Jersey, the Board of Trustees shall have the power to levy fines against any Owner(s) for violation(s) of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Declaration or By-Laws. No fine may be levied for more than \$50.00 for any one violation. Each day a violation continues after notice shall be considered a separate violation. Collection of fines may be enforced against any Owner(s) involved as if the fine were a Common Expense Assessment owed by the particular Owner(s). Despite the foregoing, before the Board of Trustees imposes any fine, the Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard with respect to the violation(s) asserted.

12.03. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

12.04. Cause of Action Against Association. Owners shall have a cause of action, to the extent permitted by the laws of this State, against the Association for its failure to act in accordance with the Declaration, Certificate of Incorporation, these By-Laws, any Rules or Regulations governing the Community or any formal decisions of the Association.

12.05. Alternative Dispute Resolution Procedure.

a. Authority. In addition to the mediation authority granted to it herein, the ADR Committee, if created, shall have such additional duties, power and authority as the Board of Trustees may from time to time provide by resolution. This shall include the right to resolve disputes arising under and to enforce the provisions of the Governing Documents including the right to (i) impose temporary cease and desist orders and (ii) levy fines pursuant to Section 12.02 hereof to the extent permitted by law. The ADR Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by Resolution of the Board of Trustees. Despite the foregoing, no action may be

taken by the ADR Committee without giving the Owner(s) involved at least ten (10) days prior written notice and affording the Owner an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

Further, any Owner who is aggrieved by any decision of the ADR Committee shall have the right to appeal such decision to a court of competent jurisdiction. Any dispute between or among Owners or with the Association, other than collection matters, must first be submitted to the ADR Committee for mediation or non-binding arbitration before any litigation is commenced with respect to the dispute in question, all as contemplated by N.J.S. 45:22A-44(c) and Section 12.02 hereof. If there is not an appeal to a court of competent jurisdiction within forty-five (45) days of the decision by the ADR Committee, the decision of the ADR Committee shall be binding on all parties and shall have the full force and effect allowed under the laws of the State of New Jersey.

b. Mediation Alternative. Prior to the commencement of any non-binding arbitration hearing by the ADR Committee pursuant to Section 12.01, any party to the dispute, or the Committee on its own motion, may request mediation of the dispute by an impartial mediator appointed by the Committee in order to attempt to settle the dispute in good faith. Such mediator may be a member of the ADR Committee, its counsel or any other qualified mediator. Any such mediation shall be concluded within fifteen (15) days after such request, unless extended by the mediator for good cause. In the event that no settlement is reached within said fifteen (15) day period, all relevant time periods in the hearing process shall be extended for fifteen (15) days plus any extension period.

12.06. Compliance By Members Each Member shall comply with and shall assume ownership or occupancy subject to the laws, rules and regulations of those governmental authorities having jurisdiction over the Community, and the provisions of the Declaration, the Certificate of Incorporation and By-Laws of the Association, Rules and Regulations or any other documents, amendments or supplements to the foregoing. Failure to comply with any of the foregoing shall be grounds for commencement of action for the recovery of

damages, or for injunctive relief, or both, by the Developer, the Association, or any Member, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Member, to enforce any lien created by the Declaration or any covenant contained therein. Failure by the Developer, the Association, or any Member to enforce any covenant therein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce same.

12.07. Civil Action for Damages. The Association shall not be liable in any civil action brought by or on behalf of a Owner to respond in damages as a result of bodily injury to the Owner occurring on the premises of the Association except as a result of its willful, wanton or grossly negligent act of commission or omission. That is, the Association, Board of Trustees and the members, agents and employees thereof, will be held harmless for any loss suffered by any Owner and caused by the ordinary negligence of the Association, the Board of Trustees, any committee or any employee, agent or member of such body.

ARTICLE XIII

AMENDMENTS

Subject to the restrictions in Article XIII of the Declaration, these By-Laws, or any of them, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of fifty-one (51%) percent in number and in interest of the votes entitled to be cast in person or by proxy, except that (i) the first annual meeting may not be advanced, (ii) the first Board of Trustees (including replacements in case of vacancies) may not be enlarged or removed, (iii) the obligation or the proportionate responsibility for the payment of Common Expenses with respect to the Homes or the Property may not be changed by reason of any such new By-Law, amendment or repeal, or (iv) no such new By-Law, amendment or repeal shall in any way adversely affect the Developer,

including any successor of the Developer, unless the Developer, or its successor, has given its prior written consent thereto.

ARTICLE XIV

CONFLICT; INVALIDITY

14.01. Conflict. Despite anything to the contrary herein, if any provision of these By-Laws is in conflict with or contradiction of the Declaration, the Certificate of Incorporation or with the requirements of any law, the requirements of said Declaration, Certificate of Incorporation or law shall be deemed controlling.

14.02. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the By-Laws.

ARTICLE XV

NOTICE

Any notice required to be sent to any Owner under the provisions of the Declaration, the Certificate of Incorporation or these By-Laws shall be deemed to have been properly sent and notice thereby given, when mailed by regular post with postage prepaid, addressed to the Owner at his last known post office address on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Home shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary of the Association in writing of any change of address. Valid notice may also be given to Owners by (i) personal delivery to any occupant of said Home over the age of fourteen (14) years of age or (ii) by affixing the notice to or sliding same under the front door of any Home.

ARTICLE XVI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "The Village Grande at English Mill Homeowners Association, Inc."

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EXHIBIT E

to

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

Housing for Older Persons Act of 1995 Compliance Affidavit

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**COMPLIANCE AFFIDAVIT
HOUSING FOR OLDER PERSONS ACT OF 1995**

This Affidavit acknowledges that the undersigned has this day purchased the Home identified as _____ and situated in The Village Grande at English Mill, an age restricted community located in Egg Harbor Township, Atlantic County, New Jersey. The Village Grande at English Mill is subject to the Housing for Older Persons Act of 1995, which requires that the developer and/or The Village Grande at English Mill Homeowners Association maintain a census of the occupants of the community (Homeowners Association) and their ages. This will further acknowledge that based upon my personal knowledge each person's age is indicated below. I agree to sign a census form that may be requested of me from time to time by the Homeowners Association, in order to update this information. I swear that the statements made in this Affidavit are true.

PLEASE PRINT

RESIDENT(S) NAMES(S)	AGE(S)	BIRTH DATE(S)	RELATIONSHIP TO OTHER OCCUPANTS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

As verification of the above information, please attach to this notice a copy of one of the following for each person named above:

- i. Driver's License
- ii. Birth Certificate
- iii. Passport
- iv. Any other official identification that shows a birth date and that the above information is true.

I hereby acknowledge that the statements made herein are true to the best of my knowledge and belief.

Signature

Date

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Journal of Internal Medicine 255: 105–114

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EXHIBIT 2

**PROJECTED OPERATING BUDGET FOR THE
INITIAL FISCAL YEAR BASED ON PHASE I (273 HOMES) WITHOUT AMENITIES
AND FULL OCCUPANCY (397 HOMES),
ESTIMATED COMMON EXPENSE ASSESSMENTS AND
LETTERS OF BUDGET AND INSURANCE ADEQUACY**

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TOTAL RESERVE & DEFERRED MAINTENANCE

\$31,109

TOTAL EXPENSES

\$325,787

MONTHLY UNIT RATE

\$107

**THE VILLAGE GRANDE AT ENGLISH MILL
HOMEOWNERS ASSOCIATION
PROPOSED FIRST YEAR GENERAL BUDGET
PHASE ONE - 273 Units - No Amenities**

REVENUE

Association Maintenance Fees	General assessment billed to all units	\$323,787
Operating Interest	Interest generated from operating checking accounts	\$0

COMMON AREA EXPENSES

Animal / Geese Control	Contracted wildlife management expenses	\$1,000
Common Area Lighting Maintenance / Supply	Interior and exterior parts and supplies	\$750
Electric - Common Area Lighting	Monthly electric service for common area lighting, Signs	\$1,200
Electric - Irrigation	Monthly electric cost of operating irrigation clocks, valves, etc.	\$650
Electric - Other	Cost of operating aerators, etc.	\$150
Exterminating/Pest Control	Pest control of moles, squirrels, bees, etc.	\$800
Lake / Pond Maintenance	Pond Treatments, aerator maintenance, erosion control	\$2,500
Landscaping	Contracted landscape maintenance service	\$163,800
Landscaping Additions	Annual, perennial, tree and shrub plantings, etc.	\$2,500
Maintenance Supplies	Miscellaneous repairs to common elements	\$650
Snow Removal Contract	Based on (3) 2" to 6" snowfalls	\$39,312
Sprinkler & Irrigation Repairs	Contracted startup/winterization, repairs	\$1,700
Subcontractor Maintenance Labor	Contracted unscheduled repairs/painting, etc.	\$500
TOTAL COMMON AREA EXPENSES		\$215,512

GENERAL & ADMINISTRATIVE EXPENSES

Accounting Services / Audit	Contracted fee to produce financial statement/tax return	\$1,800
Bank & Credit Card Fees	Lock box fees, check orders, wire transfers	\$240
CAI Membership	Annual Membership Fee	\$250
Coupon Books	Distribution of printed coupons by outside printer	\$850
Federal Income Taxes	Taxes due on Reserve interest earned, other income	\$0
Insurance	Property, Liability, Directors & Officers coverage	\$25,000
Insurance - Umbrella	\$5,000,000 coverage over underlying package policy	\$2,000
Insurance - Workers Compensation	Coverage for Association employees	\$1,000
Legal Counsel Fees	General counsel fees	\$1,500
Legal Collection Fees	Fees for collection of outstanding debts	\$1,000
Management Contract	Contracted fee for Management Services	\$27,846
Miscellaneous Administration	Minor expenses not otherwise allocated.	\$500
Office Equipment / Furniture Leases	Copier, office furniture, postage meter, etc.	\$4,000
Office Supplies	Consumables supplies, paper, ink cartridges, etc.	\$2,000
Postage	Cost for distribution of mailings, bills, etc.	\$2,650
Postage Meter Lease	Cost to maintain a postage meter for Association mailings	\$480
Printing, Copies & Fax	Envelopes, stationery, fax costs, etc.	\$1,550
Telephone	Cost of monthly usage and alarm lines	\$2,000
Petty Cash	Amount set aside for out-of-pocket expenses	\$1,000
Real Estate Taxes	Property tax assessment on Clubhouse facilities	\$0
Social Committee Expense	Expenses paid out for Social Activities	\$1,500
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$77,166

RESERVE & DEFERRED MAINTENANCE

Concrete Driveway Reserves	Cost to replace unit driveways	\$13,960
Concrete Service Walk Reserves	Cost to replace unit entry walks	\$6,910
Concrete Sidewalk Reserves	Cost to replace common walks	\$9,589
Walking Path Reserves	Surface Replacement	\$650

The Village Grande at English Mill

Budget Footnotes 2004

Revenue:

Association Maintenance Fees – Annual fees assessed to homeowners and paid on a monthly basis. The estimate is based on phase one at 273 homes.

Common Area Expenses:

Common Area Electric – Estimated cost associated with lighting the common area fixtures on the clubhouse areas and two entrance signs. Also included is the cost of operating the irrigation system timers, entry pond fountains, etc. Connectiv provides electric Service.

Common Area Landscaping – Total contract for all property is based on an estimate of \$50.00 per unit/month. Also included are the costs associated with seasonal plantings, tree/shrub replacements, maintenance of retention basins, etc.

Common Area Lighting Maintenance/Supply – Costs to keep on hand the needed light fixtures, ballasts, bulbs and other supplies to maintain the lights in the common areas.

Common Area Maintenance Supplies – Costs associated with minor maintenance supplies such as products for trash collection in the common areas, cleaning and other such items.

Common Area Snow Removal Contract – Estimated cost to clear snow from the common area streets, sidewalks and driveways of the housing areas, common areas and clubhouse facilities. Estimate is based on three storms of a 2" to 6" accumulation.

Common Area Sprinkler / Irrigation Maintenance – Estimated cost to setup, perform routine repairs, inspect monthly and winterize the common area, clubhouse and residential irrigation systems.

Common Area Subcontractor Maintenance Labor – Costs to provide services such as minor painting, electrical and maintenance repairs to the Association common elements.

Common Area Water / Irrigation – Estimated cost associated with providing water service for the irrigation of the common area and unit turf.

General & Administrative Expenses:

Accounting Services / Audit – Estimated cost to retain an independent accountant to audit the Association's financial records and to provide professional investment & tax advice.

Bank & Credit Card Fees – Annual bank service fees, based on \$20.00 per month.

CAI Membership – Annual cost for a professional membership to the Community Associations Institute.

Coupon Books – Cost to provide coupon payment systems for the remittance of the monthly assessment to the Association. Service provided by Southdata.

Federal Income Taxes – Taxes paid to the Internal Revenue Service on income gained from earned interest on the Association's reserve investment accounts.

Insurance – The cost to provide a broad form insurance policy to cover hazard insurance on the Association owned property, general liability, directors & officers, umbrella and fidelity bond coverage based on an estimate from Richard Hardenbergh Insurance Company.

Insurance - Workers Compensation – Estimated cost for a policy to cover all Association employees.

Legal Counsel Fees – The amount allocated to provide 15 hours of legal consultation and services for minor general issues at a rate of \$150.00 per hour

Management Contract – The amount allocated to provide financial accounting and general administrative support based on a contract proposal from Wentworth Property Management.

Office Supplies – The cost to purchase office supplies, such as copier paper, toner, pens, envelopes, printer cartridges, etc.

Operating Contingency – The amount set aside to fund unforeseen operating expenses.

Postage – Annual cost for Association mail. Including US Postal Service and overnight delivery services. Also included is the cost to lease a postage meter from Pitney Bowes based on a 36 month lease.

Printing, Copies & Fax – Cost for reproduction of documents.

Telephone – The estimated cost of operating a two-phone line system with voice mail. Additional lines are included to service the building alarm system, along with the required pool phones.

TOTAL EXPENSES

\$478 B92

MONTHLY UNIT RATE

\$158

GENERAL & ADMINISTRATIVE EXPENSES

Accounting Services / Audit	Contracted fee to produce financial statement/tax return	\$1,800
Bank & Credit Card Fees	Lock box fees, check orders, wire transfers	\$240
CAI Membership	Annual Membership Fee	\$250
Coupon Books	Distribution of printed coupons by outside printer	\$850
Federal Income Taxes	Taxes due on Reserve interest earned, other income	\$0
Insurance	Property, Liability, Directors & Officers coverage	\$25,000
Insurance - Umbrella	\$5,000,000 coverage over underlying package policy	\$2,000
Insurance - Workers Compensation	Coverage for Association employees	\$1,000
Legal Counsel Fees	General counsel fees	\$1,500
Legal Collection Fees	Fees for collection of outstanding debts	\$1,000
Management Contract	Contracted fee for Management Services	\$27,846
Miscellaneous Administration	Minor expenses not otherwise allocated	\$500
Office Equipment / Furniture Leases	Copier, office furniture, postage meter, etc.	\$4,000
Office Supplies	Consumables supplies, paper, ink cartridges, etc.	\$2,000
Postage	Cost for distribution of mailings, bills, etc.	\$2,650
Postage Meter Lease	Cost to maintain a postage meter for Association mailings	\$480
Printing, Copies & Fax	Envelopes, stationary, fax costs, etc.	\$1,550
Telephone	Cost of monthly usage and alarm lines	\$2,000
Petty Cash	Amount set aside for out-of-pocket expenses	\$1,000
Real Estate Taxes	Property tax assessment on Clubhouse facilities	
Social Committee Expense	Expenses paid out for Social Activities	\$1,500
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$77,166

RECREATIONAL EXPENSES

Bocci/Shuffleboard Repairs & Maintenance	Minor equipment, surface repairs	\$250
Exercise Equipment Service Contract	Contracted service agreement - Routine maintenance	\$1,200
Exercise Equipment Repairs	Repairs and parts outside of agreement	\$500
Pool & Spa Utilities	Annual electric, gas and water for two pools	\$5,000
Pool & Spa Management - Indoor	Contracted annual maintenance	\$10,000
Pool Management - Outdoor	Contracted seasonal maintenance, lifeguard service	\$14,500
Pool & Spa Supplies & Equipment	Miscellaneous chemicals, supplies, etc.	\$1,000
Pool & Spa Repairs	Repairs to non-capital replacement parts	\$4,000
Pool & Spa Laundry Service	Contracted towel service	\$1,200
Pool Table Supplies & Maintenance	Cue sticks, chalk, minor repairs	\$250
Recreation Equipment Supplies	Cards, games, miscellaneous	\$800
Telephone - Aux (pool, payphone)	Cost to provide common phone services / pool service phone	\$1,500
Tennis Court Repairs & Maintenance	Cost to provide repairs and purchase replacement netting.	\$800
TOTAL RECREATIONAL EXPENSES		\$41,000

RESERVE & DEFERRED MAINTENANCE

Asphalt 1 1/2 Cap	Overlay at end of useful life	\$2,067
Asphalt Sealcoating	Cost to seal parking areas - 5 yrs schedule	\$1,228
Concrete Driveway Reserves	Cost to replace unit driveways	\$13,960
Concrete Service Walk Reserves	Cost to replace unit entry walks	\$6,910
Concrete Sidewalk Reserves	Cost to replace common walks	\$9,589
Clubhouse Reserves	Roofing, siding, gutters, leaders	\$2,850
Pool Deck	Concrete, area drainage, etc.	\$1,500
Pool Fence	Fence structure, gates, hardware	\$250
Pool Filters	Housings, replacement media	\$500
Pool Furniture	Restrapping, replacement	\$1,000
Tennis Court Reserves	Resurfacing, restriping	\$2,500
Tennis Court Fence	Fence structure, gates, hardware	\$400
Swimming Pool Reserves	Pumps, heaters, valves, misc. equipment	\$3,000
Walking Path Reserves	Surface Replacement	\$650
TOTAL RESERVE & DEFERRED MAINTENANCE		\$46,404

THE VILLAGE GRANDE AT ENGLISH MILL
 HOMEOWNERS ASSOCIATION
 PROPOSED FIRST YEAR GENERAL BUDGET
 PHASE ONE - 273 Units

REVENUE

Association Maintenance Fees	General assessment billed to all units	\$478,892
Operating Interest	Interest generated from operating checking accounts	\$0

ADMINISTRATIVE PAYROLL

Office Payroll	Salary, Manager, Assistant	\$60,000
Payroll Taxes & Benefits	Taxes paid on behalf of employees, employer at 12%	\$7,200
TOTAL ADMINISTRATIVE PAYROLL		\$67,200

CLUBHOUSE EXPENSES

Arms & Monitoring	Central Station Dispatch Alarm monitoring contract	\$540
Carpet Cleaning & Repairs	Annual Cleaning	\$500
Cleaning Supplies	Supplies for daily use - Trash can liners, etc.	\$700
Clubhouse Cable Internet	Charge to provide High Speed Internet Connection	\$1,080
Clubhouse Cable TV	Charge to provide basic television service	\$780
Clubhouse Electric	Monthly electric service for clubhouse	\$4,800
Clubhouse Gas	Monthly gas service to clubhouse	\$2,500
Clubhouse Lighting Maintenance / Supply	Interior and exterior parts and supplies	\$500
Clubhouse Sewer	Quarterly sewer service to clubhouse	\$450
Clubhouse Water	Quarterly water service to clubhouse and irrigation	\$1,600
Terminating/Pest Control	Monthly service to clubhouse	\$900
Fire Extinguisher Inspections	Annual inspection and recharge servicing	\$500
Fire Sprinkler Systems	Annual inspection/service contract	\$1,200
Flag Replacement	Cost of replacement flags and parts	\$400
AC Contract	Annual inspection/service contract	\$1,500
Editorial/Maintenance Services	Routine unscheduled maintenance/cleaning services	\$9,360
Maintenance Supplies	Consumable parts, supplies for clubhouse	\$500
Parking Lot Cleaning & Sweeping	Cost of spring cleaning of sand and debris	\$500
Security Contract	Contracted access control system	\$1,000
Trash Removal	Contracted dumpster pickup	\$2,100
TOTAL CLUBHOUSE EXPENSES		\$31,410

COMMON AREA EXPENSES

Small / Geese Control	Contracted wildlife management expenses	\$1,000
Common Area Lighting Maintenance / Supply	Interior and exterior parts and supplies	\$750
Electric - Common Area Lighting	Monthly electric service for common area lighting, Signs	\$1,200
Electric - Irrigation	Monthly electric cost of operating irrigation clocks, valves, etc.	\$650
Electric - Other	Cost of operating aerators, etc.	\$150
Terminating/Pest Control	Pest control of moles, squirrels, bees, etc.	\$800
Le / Pond Maintenance	Pond Treatments, aerator maintenance, erosion control	\$2,500
Landscape	Contracted landscape maintenance service	\$163,800
Landscape Additions	Annual, perennial, tree and shrub plantings, etc.	\$2,500
Maintenance Supplies	Miscellaneous repairs to common elements	\$650
Green-N-Putt Maintenance	Cost of minor turf repairs, etc.	\$200
Snow Removal Contract	Based on (3) 2" to 6" snowfalls	\$39,312
Sprinkler & Irrigation Repairs	Contracted startup/winterization, repairs	\$1,700
Contractor Maintenance Labor	Contracted unscheduled repairs/painting, etc.	\$500
TOTAL COMMON AREA EXPENSES		\$215,712

Real Estate Taxes – We are not assuming any taxes to be assessed directly to the Association for the clubhouse or other amenities. Should any taxes be assessed by Egg Harbor Township for these amenities, the amount shown in the budget would be adjusted accordingly.

Reserve & Deferred Maintenance Expenses:

Concrete Driveway Reserves - The annual amount set aside to replace 50% of an estimated 124,090SF of concrete sidewalk at a cost of \$6.75SF over a useful life of 30 years.

Concrete Service Walk Reserves - The annual amount set aside to replace 50% of an estimated 61,425SF of concrete sidewalk at a cost of \$6.75SF over a useful life of 30 years.

Concrete Sidewalk Reserves - The annual amount set aside to replace 50% of an estimated 85,245SF of concrete sidewalk at a cost of \$6.75SF over a useful life of 30 years.

Walking Path Reserves – The cost to replace 52 CY of wood chip surface for the walking path at a cost of \$25.00 per CY every other year.

The Village Grande at English Mill

Budget Footnotes 2004

Revenue:

Association Maintenance Fees – Annual fees assessed to homeowners and paid on a monthly basis. The estimate is based on phase one at 273 homes.

Administrative Payroll:

Office Payroll – Cost to provide an on-site community association manager, along with an assistant manager/activities director on a 40 hour per week basis.

Payroll Taxes & Benefits – Cost to fund the employer's share of federally mandated taxes, along with normal benefit package. The estimated amount is 12% of the total payroll.

Clubhouse Expenses:

Clubhouse Electric/Gas – Estimated cost to provide electric and gas service to the clubhouse. Connectiv provides electric service and SJ Gas provides Gas service.

Clubhouse Exterminating – Cost to provide monthly service to the clubhouse based on an estimate provided by United Exterminating.

Clubhouse Fire Extinguisher Inspections – Estimated cost to perform annual inspections and maintenance for any necessary hand held fire extinguishers.

Clubhouse Fire Sprinkler Systems – Cost estimate for annual testing and service to the clubhouse fire safety system.

Clubhouse Garbage Removal - Cost estimate from Integrated Waste Systems to provide pickup for one (1) four yard refuse dumpster, twice a week. An additional amount of \$400.00 was added for two extra pickups that may be needed for parties, large functions, etc.

Clubhouse HVAC Contract – Estimated cost for service and repair to the clubhouse mechanical system. Includes routine service visits for preventative maintenance.

Clubhouse Internet – Estimated annual cost to Comcast to provide High Speed Cable Internet service to the clubhouse.

Clubhouse Maintenance - Cost to perform routine maintenance tasks in the clubhouse such as repairs to the doors, windows or other such items, along with janitorial functions, event setup/breakdown, etc. Estimate is based on 15 hours per week at a rate of \$12.00 per hour. Also included are costs associated with carpet cleaning, cleaning supplies, lighting and maintenance supplies and sweeping of the clubhouse parking lot.

Clubhouse Security - Estimated cost based \$45.00 per month on an individual system in each clubhouse building for the monitoring and daily testing of a fire/security alarm system. The prices are based on an verbal estimate from B-Com Security. Also incorporated are the costs anticipated to provide routine maintenance for a proximity access control system for the clubhouse, and other needed common area controls.

Clubhouse Sewer – Annual cost to the Association for sewer services.

Clubhouse Water – Estimated cost for water services provided by the American Water Company.

Common Area Expenses:

Common Area Electric – Estimated cost associated with lighting the common area fixtures on the clubhouse areas and two entrance signs. Also included is the cost of operating the irrigation system timers, entry pond fountains, etc. Connectiv provides electric Service.

Common Area Landscaping – Total contract for all property is based on an estimate of \$50.00 per unit/month. Also included are the costs associated with seasonal plantings, tree/shrub replacements, maintenance of retention basins, etc.

Common Area Lighting Maintenance/Supply – Costs to keep on hand the needed light fixtures, ballasts, bulbs and other supplies to maintain the lights in the common areas.

Common Area Maintenance Supplies – Costs associated with minor maintenance supplies such as products for trash collection in the common areas, cleaning and other such items.

Common Area Snow Removal Contract – Estimated cost to clear snow from the common area streets, sidewalks and driveways of the housing areas, common areas and clubhouse facilities. Estimate is based on three storms of a 2" to 6" accumulation.

Common Area Sprinkler / Irrigation Maintenance – Estimated cost to setup, perform routine repairs, inspect monthly and winterize the common area, clubhouse and residential irrigation systems.

Common Area Subcontractor Maintenance Labor – Costs to provide services such as minor painting, electrical and maintenance repairs to the Association common elements.

Common Area Water / Irrigation – Estimated cost associated with providing water service for the irrigation of the common area and unit turf.

General & Administrative Expenses:

Accounting Services / Audit – Estimated cost to retain an independent accountant to audit the Association's financial records and to provide professional investment & tax advice.

Bank & Credit Card Fees – Annual bank service fees, based on \$20.00 per month.

CAI Membership – Annual cost for a professional membership to the Community Associations Institute.

Coupon Books – Cost to provide coupon payment systems for the remittance of the monthly assessment to the Association. Service provided by Southdata.

Federal Income Taxes – Taxes paid to the Internal Revenue Service on income gained from earned interest on the Association's reserve investment accounts.

Insurance – The cost to provide a broad form insurance policy to cover hazard insurance on the Association owned property, general liability, directors & officers, umbrella and fidelity bond coverage based on an estimate from Richard Hardenbergh Insurance Company.

Insurance - Workers Compensation – Estimated cost for a policy to cover all Association employees.

Legal Counsel Fees – The amount allocated to provide 15 hours of legal consultation and services for minor general issues at a rate of \$150.00 per hour

Management Contract – The amount allocated to provide financial accounting and general administrative support based on a contract proposal from Wentworth Property Management.

Office Supplies – The cost to purchase office supplies, such as copier paper, toner, pens, envelopes, printer cartridges, etc.

Operating Contingency – The amount set aside to fund unforeseen operating expenses.

Postage – Annual cost for Association mail. Including US Postal Service and overnight delivery services. Also included is the cost to lease a postage meter from Pitney Bowes based on a 36 month lease.

Printing, Copies & Fax – Cost for reproduction of documents.

Telephone – The estimated cost of operating a two-phone line system with voice mail. Additional lines are included to service the building alarm system, along with the required pool phones.

Real Estate Taxes – We are not assuming any taxes to be assessed directly to the Association for the clubhouse or other amenities. Should any taxes be assessed by Egg Harbor Township for these amenities, the amount shown in the budget would be adjusted accordingly.

Recreational Expenses:

Bocci/Shuffleboard Repairs & Maintenance – The cost associated with minor repairs to surfaces or equipment.

Exercise Equipment Contract / Repairs – Estimated cost to provide quarterly routine inspection, minor periodic maintenance and repairs for the equipment in the clubhouse exercise room. Based on a verbal estimate from Universal Fitness.

Pool & Spa Utilities – Cost to provide gas heating service to the indoor lap pool, and electric service to the two pool facilities.

Pool & Spa Management – Indoor / Outdoor – Cost to provide, water analysis and chemical application for the indoor lap pool on a year round basis and the outdoor pool on a seasonal basis. Cost estimate provided by Freestyle Pool Management

Pool & Spa Supplies / Repairs – Cost for miscellaneous supplies such as first aid kits, pool skimmers, etc. Also included is the cost for minor repairs to the coping tiles, pools surfaces, and spot repainting of the pool and/or spa.

Putting Green Maintenance – Estimated cost to perform minor repairs to the putting green artificial surface.

Recreation Equipment Supplies / Maintenance – Cost to provide miscellaneous recreation supplies as needed such as billiard balls, pool cues, tables, chairs, etc.

Reserve & Deferred Maintenance Expenses:

Asphalt 1 ½ Cap – The annual amount set aside to replace an estimated 5,905SY of 1½ cap asphalt at a cost of \$7.00 per SY over a useful life of 20 years.

Asphalt Sealcoating – The annual amount set aside to perform a sealcoating of an estimated 5,905SY of roadway at a cost of \$1.04SY over a useful life of 5 years.

Concrete Driveway Reserves - The annual amount set aside to replace 50% of an estimated 124,090SF of concrete sidewalk at a cost of \$6.75SF over a useful life of 30 years.

Concrete Service Walk Reserves - The annual amount set aside to replace 50% of an estimated 61,425SF of concrete sidewalk at a cost of \$6.75SF over a useful life of 30 years.

Concrete Sidewalk Reserves - The annual amount set aside to replace 50% of an estimated 85,245SF of concrete sidewalk at a cost of \$6.75SF over a useful life of 30 years.

Clubhouse Furnishings – Estimated cost to replace clubhouse furnishings such as tables, chairs, fixtures, etc.

Clubhouse Reserves – The estimated cost to fund the replacement of the roof, gutters, siding, and other such items in the Association clubhouse.

Pool Reserves – The cost to perform the replacement of the pool deck after an estimated 30-year useful life.

Tennis Court Reserves – The cost to resurface and re-stripe the tennis courts every 15 years, along with the costs associated with replacing the fence after a 25-year useful life.

Walking Path Reserves – The cost to replace 52 CY of wood chip surface for the walking path at a cost of \$25.00 per CY every other year.

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The Village Grande at English Mill

Budget Footnotes 2004

Revenue:

Association Maintenance Fees – Annual fees assessed to homeowners and paid on a monthly basis. The estimate is based on the full build out of 397 homes.

Administrative Payroll:

Office Payroll – Cost to provide an on-site community association manager, along with an assistant manager/activities director on a 40 hour per week basis.

Payroll Taxes & Benefits – Cost to fund the employer's share of federally mandated taxes, along with normal benefit package. The estimated amount is 12% of the total payroll.

Clubhouse Expenses:

Clubhouse Electric/Gas – Estimated cost to provide electric and gas service to the clubhouse. Connectiv provides electric service and SJ Gas provides Gas service.

Clubhouse Exterminating – Cost to provide monthly service to the clubhouse based on an estimate provided by United Exterminating.

Clubhouse Fire Extinguisher Inspections – Estimated cost to perform annual inspections and maintenance for any necessary hand held fire extinguishers.

Clubhouse Fire Sprinkler Systems – Cost estimate for annual testing and service to the clubhouse fire safety system.

Clubhouse Garbage Removal - Cost estimate from Integrated Waste Systems to provide pickup for one (1) four yard refuse dumpster, twice a week. An additional amount of \$400.00 was added for two extra pickups that may be needed for parties, large functions, etc.

Clubhouse HVAC Contract – Estimated cost for service and repair to the clubhouse mechanical system. Includes routine service visits for preventative maintenance.

Clubhouse Internet – Estimated annual cost to Comcast High Speed Cable Internet service to the clubhouse.

RECREATIONAL EXPENSES

Bocci/Shuffleboard Repairs & Maintenance	Minor equipment, surface repairs	\$250
Exercise Equipment Contract / Repairs	Contracted service agreement - Routine maintenance	\$1,500
Pool & Spa Utilities	Annual electric, gas and water for two pools	\$5,000
Pool & Spa Management - Indoor / Outdoor	Contracted maintenance, seasonal lifeguard service	\$24,500
Pool & Spa Supplies / Repairs	Chemicals, supplies, repairs to non-capital replacement parts	\$5,000
Putting Green Maintenance	Cost of minor repairs, etc.	\$250
Recreation Equipment Supplies / Maintenance	Pool Cues, cards, games, miscellaneous	\$1,200
TOTAL RECREATIONAL EXPENSES		\$37,700

RESERVE & DEFERRED MAINTENANCE

Asphalt 1 1/2 Cap	Overlay at end of useful life	\$2,067
Asphalt Sealcoating	Cost to seal parking areas - 5 yrs schedule	\$1,228
Concrete Sidewalk Reserves	Cost to replace common walks	\$13,815
Clubhouse Furnishings	Cost of replacing furniture, fixtures, etc.	\$4,000
Clubhouse Reserves	Roofing, siding, gutters, leaders	\$2,850
Pool Reserves	Concrete, Fencing, pumps, heaters, valves, furnishings.	\$6,300
Tennis Court Reserves	Resurfacing, restriping	\$3,000
Walking Path Reserves	Surface Replacement	\$650
TOTAL RESERVE & DEFERRED MAINTENANCE		\$33,910

TOTAL EXPENSES**\$641,174****MONTHLY UNIT RATE****\$135**

THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION
PROPOSED FIRST YEAR GENERAL BUDGET
FULL BUILD OUT - 397 UNITS

VENUE

Association Maintenance Fees	General assessment billed to all units	\$641,174
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ADMINISTRATIVE PAYROLL

Office Payroll	Salaries - Manager, Activities Director	\$72,000
Payroll Taxes & Benefits	Taxes paid on behalf of employees, employer at 12%	\$8,640
TOTAL ADMINISTRATIVE PAYROLL		\$80,640

CLUBHOUSE EXPENSES

Clubhouse Electric / Gas	Monthly Electric & Gas service for clubhouse	\$7,300
Clubhouse Exterminating	Monthly service to clubhouse	\$900
Clubhouse Fire Extinguisher Inspections	Annual inspection and recharge servicing	\$500
Clubhouse Fire Sprinkler Systems	Annual inspection/service contract	\$1,200
Clubhouse Garbage Removal	Contracted dumpster pickup	\$2,100
Clubhouse HVAC Contract	Annual inspection/service contract	\$1,500
Clubhouse Internet	High Speed Internet Connection	\$1,800
Clubhouse Maintenance	Janitorial Service, Cleaning, Lighting & Maint. Supplies	\$12,060
Clubhouse Security	Central Station Dispatch Alarm monitoring contract	\$1,540
Clubhouse Sewer	Quarterly sewer service to clubhouse	\$1,000
Clubhouse Water	Quarterly water service to clubhouse and irrigation	\$1,600
TOTAL CLUBHOUSE EXPENSES		\$31,500

COMMON AREA EXPENSES

Common Area Electric	Monthly electric service for lighting, signs, fountains	\$2,390
Common Area Landscaping	Contracted landscape maintenance service	\$252,700
Common Area Lighting Maintenance / Supply	Interior and exterior parts and supplies	\$750
Common Area Maintenance Supplies	Miscellaneous repairs to common elements	\$1,000
Common Area Snow Removal Contract	Based on (3) 2" to 6" snowfalls	\$60,000
Common Area Sprinkler / Irrigation Maintenance	Contracted startup/winterization, repairs	\$9,000
Common Area Subcontractor Maintenance Labor	Contracted unscheduled repairs/painting, etc.	\$2,000
Common Area Water / Irrigation	Lawn irrigation water supply	\$23,820
TOTAL COMMON AREA EXPENSES		\$351,660

GENERAL & ADMINISTRATIVE EXPENSES

Accounting Services / Audit	Contracted fee to produce financial statement/tax return	\$2,500
Bank & Credit Card Fees	Lock box fees, check orders, wire transfers	\$240
Membership	Annual Membership Fee	\$250
Postage Books	Distribution of printed coupons by outside printer	\$1,100
Federal Income Taxes	Taxes due on Reserve interest earned, other income	\$0
Insurance	Property, Liability, Directors & Officers coverage	\$35,000
Insurance - Workers Compensation	Coverage for Association employees	\$1,200
Legal Counsel Fees	General counsel fees	\$2,500
Management Contract	Contracted fee for Management Services	\$40,494
Office Supplies	Copier toner, consumable supplies	\$3,500
Operating Contingency	Set-aside for unforeseen expenses	\$10,000
Postage	Cost for distribution of mailings, bills, Postage Meter, etc.	\$3,480
Printing, Copies & Fax	Envelopes, stationary, fax costs, etc.	\$2,000
Telephone	Cost of monthly usage and alarm lines, pool phones.	\$3,500
Real Estate Taxes	Property tax assessment on Clubhouse facilities	\$0
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$105,764



WENTWORTH GROUP

SHORE REGION

LAWRENCEVILLE, New Jersey
609-895-9636
609-895-9630 Fax

ARRINGTON, New Jersey
856-546-7711
856-546-2819 Fax

ACKENSACK, New Jersey
201-525-2600
201-525-2601 Fax

WILMINGTON, Delaware
302-235-1792
302-235-1794 Fax

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

WEST LONG BRANCH, New Jersey
732-728-9690
732-728-2290 Fax

FAIRFAX, Virginia
703-385-1133
703-591-5785 Fax

PHILADELPHIA, Pennsylvania
215-512-1550
215-592-7640 Fax

- Wentworth Property Management Corp.
- Wentworth Property Management of New Jersey, Inc.
- Worthmore Construction & Maintenance Company, Inc.
- Wentworth Realty, Inc.
- Worthington Insurance Brokerage
- Community Association Funding Company (CAFCO)
- Mallin Panchelli Wentworth Realty, LLC

March 25, 2004

Donald M. Pepe, Esq.
D.R. Horton, Inc. dba SGS Communities
20 Gibson Place
Freehold, NJ 07728

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

Dear Don:

We have prepared the estimated budget for The Village Grande at English Mill Homeowners Association, 397 Single Family homes, at 2004 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
Regional Director

WENTWORTH PROPERTY MANAGEMENT

1102 Broadacres Drive • Clementon, NJ 08021 • Phone 856-784-1144 • 856-435-5656 • Fax 856-435-4457



Clubhouse Maintenance - Cost to perform routine maintenance tasks in the clubhouse such as repairs to the doors, windows or other such items, along with janitorial functions, event setup/breakdown, etc. Estimate is based on 15 hours per week at a rate of \$12.00 per hour. Also included are costs associated with carpet cleaning, cleaning supplies, lighting and maintenance supplies and sweeping of the clubhouse parking lot.

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Asphalt Sealcoating – The annual amount set aside to perform a sealcoating of an estimated 5,905SY of roadway at a cost of \$1.04SY over a useful life of 5 years.

Concrete Sidewalk Reserves - The annual amount set aside to replace 50% of an estimated 122,805SF of concrete sidewalk at a cost of \$6.75SF over a useful life of 30 years.

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Walking Path Reserves – The cost to replace 52 CY of wood chip surface for the walking path at a cost of \$25.00 per CY every other year.

Hardenbergh

INSURANCE GROUP

Post Office Box 1000 • Main Street • Plaza 1000, Suite 100 • Voorhees, New Jersey 08043
856.489.9100 • 856.489.9101 Fax • www.hardenberghins.com

February 18, 2004

Planned Real Estate Development
New Jersey Department of Community Affairs
CN 805
Trenton, N. J. 00625

SUBJECT: Letter of Adequacy - Village Grande At English Mill Homeowner Association

To Whom it May Concern:

In accordance with your request, this letter verifies that we have reviewed the necessary insurance requirements for the above association and believe the following coverages are adequate to properly insure this Association. Property Insurance should be provided in order to cover the Club Houses, Pool House, etc., and its contents for replacement cost in case of destruction by fire, lightning, etc. Coverage should be provided on an All Risk Peril basis.

Comprehensive General Liability coverage should be written for common elements. This coverage will include non-owned and hired automobile coverages with limits of liability suggested to be at \$1,000,000.

An Excess Liability coverage should be provided on an Umbrella form with at least a \$1,000,000 limit of liability. Higher limits of liability should be considered by the Board of Directors upon placement.

Fidelity coverage should be purchased to protect the association from fraudulent and dishonest acts of its employees or board members. A minimum policy limitation should be \$50,000. The limit obtained should be equal to or greater than three months of the total operating budget plus accumulated reserves.

Workers' compensation coverage will provide coverage for injuries to employees during the course of their employment. Benefits are based on statutory requirements for the State of New Jersey based on a "if any" payroll for the first year of operation. This is an auditable exposure based on payroll of the employees of the association.

Planned Real Estate Development
February 18, 2004


Page 2

Directors and Officers coverages should be provided for the officers of the association with limits of at least \$1,000,000. This coverage should include past and present members of the board as well as committee persons. It should insure both the officers and directors of the corporation and the entity itself.

Certainly we recommend that each individual homeowner purchase his own insurance to protect his or her personal liability and property.

If the above insurance policies were placed in force, we feel that the association would be adequately insured. The projected cost based on Full occupancy, Phase I 253 Units with amenities is \$25,000.

Regards,

A handwritten signature in cursive script that reads "John McCrudden".

John McCrudden
Vice President

JM/lg

Hardenbergh

INSURANCE GROUP

Post Office Box 1000 • Main Street • Plaza 1000, Suite 100 • Voorhees, New Jersey 08043
856.489.9100 • 856.489.9101 Fax • www.hardenberghins.com

February 18, 2004

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Planned Real Estate Development
February 18, 2004

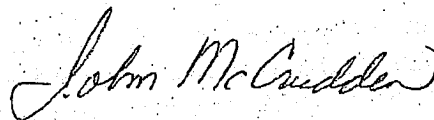
Page 2

Directors and Officers coverages should be provided for the officers of the association with limits of at least \$1,000,000. This coverage should include past and present members of the board as well as committee persons. It should insure both the officers and directors of the corporation and the entity itself.

Certainly we recommend that each individual homeowner purchase his own insurance to protect his or her personal liability and property.

If the above insurance policies were placed in force, we feel that the association would be adequately insured. The projected cost based on Full occupancy, Phase II fully completed 397 units with amenities is \$35,000.

Regards,

A handwritten signature in cursive script that reads "John McCrudden".

John McCrudden
Vice President

JM/lg

EXHIBIT 3

SAMPLE CONTRACT FOR SALE OF REAL ESTATE

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RESCISSION PERIOD

NOTICE TO THE PURCHASERS:

THE PURCHASER HAS THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY AND ALL MONIES PAID BY YOU SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

NOTICE TO THE PURCHASER AND SELLER:

WITHIN THE FIRST THREE BUSINESS DAYS OF THIS SEVEN DAY PERIOD, EACH PARTY MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION 30 ON ATTORNEY REVIEW FOR DETAILS.

CONTRACT FOR SALE OF REAL ESTATE

THIS CONTRACT, dated _____, 200_, is between the

SELLER: D.R. HORTON, INC.-NEW JERSEY, a Delaware Corporation, 20 Gibson Place, Freehold, New Jersey 07728; and

The BUYER(S): _____ SS# _____

_____ SS# _____

ADDRESS _____

HOME TELEPHONE NO. _____ WORK TELEPHONE NO. _____

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THE SELLER AND THE BUYER AGREE AS FOLLOWS:

1. **Sale and Purchase.** The Seller will sell and the Buyer will buy the Property under the terms of this Contract.

2. **Property.** The word "Property" as used in this Contract includes (a) through (c) below:

(a) All of the land, buildings and other improvement on the land, located in the Township of Egg Harbor, County of Atlantic, and State of New Jersey, designated as Lot _____, in Block _____, as shown and laid down on the map entitled "_____", Section _____, filed in the Office of the Clerk of Atlantic County, on _____, 200__, as Map No. _____, File _____;

(b) The house and land known as the _____ Model, with the _____ Elevation, on Job No. _____;

(c) Street Address: _____.

3. **Purchase Price.**

(a) Base Price: \$ _____

(b) Optional Extras:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Extras \$ _____

(c) Total Purchase Price \$ _____

4. **Payment of Purchase Price.**

(a) The Purchase Price is to be paid as follows:

(1) Deposit at signing of this Contract: \$ _____

(2) Additional Deposit Due _____ \$ _____

_____ : \$ _____

(3) Mortgage Amount (See Section 5 of this Contract: \$ _____

(4) Balance at Closing by certified check, or bank check: \$ _____

5. Mortgage Contingency.

Type of Mortgage: _____ Amount of Loan: _____

Length of Mortgage: _____ Interest Rate: _____

If Paragraph 4(a)(3) above contains a "Mortgage Amount", then this Contract shall be contingent upon Buyer obtaining a mortgage loan; if no amount is shown then this Contract is not contingent upon Buyer securing a mortgage. Buyer agrees to make a written application for a mortgage loan with an institutional lender ("Lender") in the amount set forth in Paragraph 4(a)(3) within 10 days after the date of this Contract and provide Seller with a copy of the written application within 7 days of the expiration of such 10-day period. IF SUCH APPLICATION IS NOT TIMELY SUBMITTED TO LENDER, THE OBLIGATION OF EACH PARTY TO PERFORM SHALL BECOME FIXED AS IF NEVER SUBJECT TO ANY MORTGAGE CONTINGENCY, AND THIS CONTRACT SHALL BECOME BINDING. The terms of the mortgage loan will be those specified above in this Paragraph 5. Buyer shall provide Lender with all necessary information and documentation at the time of the application, and shall provide Lender with any additional information or documentation within five days after Lender requests same. If Buyer fails to provide such information or documentation, then Buyer shall be in default of this Contract. Buyer shall pay to Lender all applicable fees and charges for the application and/or commitment.

This mortgage contingency clause shall be deemed satisfied, and Buyer will be required to go forward with the purchase, upon issuance of a commitment to make a mortgage loan by Lender, regardless of the terms or conditions of the commitment. In particular, and without limitation, this mortgage contingency clause shall be satisfied if the commitment is conditioned on Buyer selling a home, having a job and/or providing additional information or documentation. Once the Buyer receives a commitment, any subsequent change in the Buyer's credit, financial condition, employment or otherwise shall be at Buyer's risk. In addition, if the mortgage commitment must be extended, renewed or reissued, and as a result the interest rate or other terms or conditions or the

commitment change, the Buyer agrees to accept and/or fulfill any such new interest rate, terms and/or conditions.

If the Lender issues a commitment to make a mortgage loan, the Buyer will promptly sign the commitment, provide a copy to Seller and take all actions necessary to satisfy any conditions and contingencies so that closing of title can take place in accordance with Paragraph 11 of this Contract. Failure of Buyer to sign the commitment or to satisfy any conditions and contingencies shall be deemed a default of this contract by Buyer. Buyer hereby authorizes the Lender to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan and loan application.

If Buyer has not received a mortgage commitment within 30 days after the date of this Contract (the "Mortgage Contingency Date"), or has been denied a mortgage loan prior to the Mortgage Contingency Date, Buyer may: (a) elect to waive the mortgage contingency and complete the purchase without a mortgage, or (b) request that Seller extend the Mortgage Contingency Date for up to 30 days, or, or (c) request a cancellation of this Contract and a refund of Buyer's deposit without interest. Any request to extend the Mortgage Contingency Date or request to cancel the Contract must be in writing received by Seller before the Mortgage Contingency Date and contain copies of documents proving that Buyer had made timely application for the mortgage and that the application was either denied or is still awaiting determination. IF SUCH REQUEST IS NOT TIMELY GIVEN, THE OBLIGATION OF EACH PARTY TO PERFORM SHALL BECOME FIXED AS IF NEVER SUBJECT TO ANY MORTGAGE CONTINGENCY, AND THIS CONTRACT SHALL BECOME BINDING. If Seller elects to extend the Mortgage Contingency Date, Seller shall notify Buyer within 5 days of receipt of the Buyer's request, and if at the end of the commitment extension a mortgage commitment has still not been issued, then Buyer may (a) elect to waive the mortgage contingency and complete the purchase without a mortgage, or (b) request the cancellation of this Contract and a refund Buyer's deposit without interest. If Buyer's mortgage application is denied or if Buyer requests a cancellation of this Contract within the mortgage contingency period or any extension of the mortgage contingency period agreed to by Seller, then Seller shall, at Seller's option elect within ten (10) days either to: (1) refund Buyer's deposit without interest; or (2) direct Buyer to apply for a mortgage commitment consistent with the terms of this Contract to a lending institution

selected by Seller, and Buyer agrees to timely complete and execute all documents, fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with such application.

Buyer represents that Buyer has sufficient cash available, together with the proceeds of the mortgage loan referred to in Paragraph 4(a)(3), if any, to consummate the acquisition of the Property pursuant to this Contract. Seller makes no representations or warranties about Buyer's ability to obtain a mortgage loan or the interest rate or terms of such a loan.

6. Deposits.

Subject to the next paragraph, the Seller will hold all money paid by the Buyer under this Agreement prior to closing in escrow. The Seller may not use or keep that money (a) until closing of title, or (b) unless the Buyer breaks a promise made in this Contract, as discussed in Paragraph 18 below. If, under the terms of the Contract, the Buyer has the right to terminate the Contract and elects to exercise that right, Seller will return to Buyer all money paid by Buyer. This money will be held in an escrow account of Grande Title Agency, LLC, ("Escrow Agent"), in Commerce Bank - Berlin Office, 247 S. White Horse Pike, Berlin, New Jersey 08009. This means that the Seller receives all deposit monies in trust (in escrow) and will hold same until closing of title or termination of this Contract. The Seller may, in its sole discretion, cause the deposit account to be interest bearing. Any interest earned on the deposit monies in trust will be paid to the Seller. Interest on the deposit monies will not be applied as a credit for the benefit of the Buyer toward other sums owed by the Buyer to the Seller under this Contract.

The Developer has obtained a "Down Payment Bond" from Fidelity and Deposit Company of Maryland in a form acceptable to the Division of Codes and Standards of the New Jersey Department of Community Affairs so as to permit the Developer to obtain use prior to closing of the deposit monies being held by the Escrow Agent. The Down Payment Bond has been given to the Escrow Agent. The Developer and the Escrow Agent have entered into a formal agreement acceptable to the Division of Codes and Standards of the Department of Community Affairs that allows the Escrow Agent to release the Buyer's deposit monies from escrow to the Developer prior to closings of title but not to exceed, in the aggregate, the face amount of the bond. Under the agreement, if the closing of title does not take place and the Buyer is legally entitled to a return of all or a portion of the

deposit monies and the Developer is unable to return same, the Escrow Agent is empowered to draw against the bond to the extent necessary in order to refund the deposit monies to which the Buyer is legally entitled. A copy of the Agreement is reproduced as Exhibit 9 of the Public Offering Statement and includes a copy of the Down Payment Bond. Under no circumstances can the Escrow Agent release the Buyer's deposit monies to the Developer before the Buyer's seven (7) day right to rescind (cancel) his Contract for Sale of Real Estate has expired without the buyer exercising such right to rescind.

7. House to Sell Contingency.

This Contract is [] or is not [] subject to the sale of any other real estate. If this Contract is subject to the sale of other real estate, then a rider detailing the terms of such subject to sale shall be attached to this Contract.

8. Exclusions.

Unless included as extras in Paragraph 3 above, all of the items shown in the model home(s) are excluded from this sale. Such items include, but are not limited to: all furniture; special flooring and carpeting; wallpaper; window treatments; special lighting; outlets, light bulbs and all other electronic devices; decorator floors; decorator built-ins; decorator ceramic and vinyl tile; built-ins and bookcases; shelves and special mirrors; special interior trim; special interior decorator paint colors; painted interior garage walls, ceiling and floors; painted basement floor and walls; upgraded appliances; special exterior trim and siding materials; special exterior paint; oversized driveways; and fencing, irrigation, landscaping and special walkways. All extras or special items displayed in the models or sales exhibition center will be identified as such.

9. Closing Charges.

Buyer is responsible for paying all costs relating to recording the deed, a title search, title examination and title insurance policy as well as purchasing a survey through Seller, if requested. If this is a sale containing a mortgage contingency, then Buyer shall also pay all costs relating to the mortgage, including, without limitation, application fee, credit report, appraisal, mortgage title insurance, hazard insurance, recording fees and any fees or costs required by the mortgage lender, such as escrows and prepaid charges.

Buyer is also responsible upon the acquisition of title to his Home to pay to the Association a working capital contribution equal to \$550.00. This payment is non-refundable and non-transferable and shall be available to the Association, whether under Developer or unit owner control, as the Board

shall deem appropriate 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 purpose(s) permitted by the Governing Documents.

In addition, Buyer will also pay to the Association in advance his/her pro-rata portion of this monthly maintenance fee due to the Association for the month in which the closing takes place based upon the number of days left in the month as the time of closing as set forth in the Association's budget. Beginning with the first full month of occupancy, the monthly maintenance fee will be paid on a monthly basis to the Association as provided in the Public Offering Statement.

Seller shall be responsible for the real estate transfer tax due upon the closing of title.

10. Adjustments.

Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing.

11. Closing of Title.

(a) Seller estimates that construction of the house will be completed on or about _____, 200__ (the "Closing Date").

(b) Closing of title will take place on the Closing Date at the time specified by Seller in a notice by telephone or mail to Buyer or Buyer's attorney. Closing will take place at 700 East Gate Drive, Mt. Laurel, New Jersey 08054 or at such other place as is specified in Seller's notice. The closing of title will occur only after the Seller has received either a temporary or final certificate of occupancy for the Property.

If the closing is postponed by the Buyer because of the Buyer's refusal or inability to close on the date and time specified by Seller, then Seller shall have the option, but not the obligation, to postpone the closing date on at least seven (7) days prior written notice to Buyer. TIME SHALL BE OF THE ESSENCE FOR ANY POSTPONED CLOSING DATE. This means that if Seller postpones the Closing, Buyer must close title on such postponed closing date or forfeit its deposit as provided in Paragraph 18 of this Contract. Also, Buyer shall pay to Seller at closing an additional One Hundred Fifty Dollars (\$150.00) per day for each day the Closing is delayed by the Buyer, not to exceed 10% of the purchase price, representing all carrying

charges on the Property, such as taxes, insurance, interest, etc.

12. Title.

Seller agrees to deliver a Bargain and Sale Deed with Covenants as to Grantor's Acts, Affidavit of Title and appropriate corporate resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company free and clear of all liens and encumbrances, except the Property shall be subject to: ordinances, statutes and regulations of any and all municipal or other governmental authority having jurisdiction; easements, grants, covenants or restrictions; the Declaration of Covenants and Restrictions; street dedications and public utility rights recorded or to be recorded; and such state of facts that an accurate survey may disclose, provided same do not prevent use of the Property for one family dwelling purposes. The willingness of Grande Title Agency, L.L.C., 185 West White Horse Pike, Berlin, New Jersey 08009, to insure title to the Property shall constitute good and marketable title. Buyer is not required to use the services of Grande Title Agency, L.L.C. to obtain title insurance. Grande Title Agency, L.L.C. is affiliated with the Seller. If Seller is unable to deliver the status of title set forth in this Paragraph, Buyer's remedy will be in accordance with Paragraph 19 of this Contract.

13. Possession.

Possession will be given by delivery of the Deed upon closing of title and receipt by Seller for the full purchase price and all other monies due it pursuant to this Contract. Buyer agrees not to enter into possession of the Property at any time or for any reason prior to closing.

14. Fire and Other Casualty.

The risk of loss or damage to the Property by fire or otherwise until closing of title is on Seller.

15. Changes in Construction.

Seller shall have the right to make substitution of materials and/or equipment and to make changes to Selections whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Seller also reserves the right to determine the location and physical layout of the house on the lot. Seller makes no representations as to the final grade of the lot or the existence of any trees or landscaping on the lot. Seller shall not be responsible to remove any debris or trees beyond the area of the lot disturbed by Seller.

16. Insulation.

In compliance with Federal Trade Commission Regulations, the following information concerning insulation in your home is furnished: (a) The developer installs fiberglass batt type of insulation which is manufactured to have an R value of 13 outside walls and R-30 in ceilings below attic space. R-30 insulation shall be installed in the floors of living spaces above unconditioned space. Certain exterior walls and/or cathedral or volume space may require R-19 insulation; (b) For slab on ground floors, the developer installs 1" rigid foam perimeter insulation, which is manufactured to have an R value of 5, horizontally beneath the slab for a minimum total distance from the exterior walls of 24 inches; (c) The primary entrance door is an insulated steel door and is weather stripped. Windows and sliding doors are dual glazed thermo break equipped. Anti air infiltration measures taken include the installation of a sill seal. (d) The manufactured thickness of the above types of insulation is as follows: R-13 is 3-5/8", R-19 is 5-1/2", R-30 is 9", R-5/rigid foam perimeter foundation insulation is 1".

17. Decorator Selections.

Buyer agrees to make decorator, appliance, optional extra item selections (collectively, "Selections") within ten days of the Seller's request that they be completed. If Buyer fails to make the Selections within this time period, Seller, in its exclusive discretion, shall have the right to make such Selections for Buyer and Buyer agrees to accept and pay for such Selections. Any Selections made by Buyer shall only be made by Seller if Seller agrees to do so in writing.

18. Default of Buyer.

Should Buyer fail to make payments, or violate any other term, condition or covenant of this Contract or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of the Contract, the Buyer will be in default (i.e., will have broken Buyer's promises in this Contract). If the Buyer is in default, the Seller may retain the deposit (but not more than ten (10%) percent of the purchase price), plus the total of all monies paid by Buyer for options, upgrades, extras and custom changes installed. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain the money as liquidated damages, this Contract shall become null and void. In the event either party hereto shall institute legal proceedings in connection with, or for the enforcement of this Paragraph 18, the prevailing party

shall be entitled to recover its costs of suit, including reasonable attorney's fees, at both trial and appellate levels.

19. Delay of Seller.

Should Seller be unable to fulfill its obligations under the terms of this Contract for reasons beyond its control, the Seller may postpone the closing for up to six (6) months from the date originally scheduled for closing by notifying the Buyer in writing that the closing has been postponed. If, after this period has expired, the Seller is still unable to perform its obligations under this Contract for reasons beyond its control, the Buyer may terminate this Contract by so notifying the Seller in writing or the Seller may terminate this Contract for circumstances beyond its control. In such event, Buyer's sole, legal or equitable remedy will be to receive a refund of all deposit monies and all monies paid to Seller for options, upgrades, extras and custom changes, together with the costs of title examination and survey actually incurred.

The Buyer agrees that if this Contract is postponed and/or terminated under this Paragraph, the Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay or termination. Such expenses include, but are not limited to, storage of the Buyer's furniture or other personal property and/or substituted housing as well as mortgage commitment extension fees.

20. Warranties.

The Seller warrants its construction of the Homes as follows:

a. 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 Seller 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.

b. The Seller 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.

c. The Seller 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.

d. The Seller warrants that all Homes offered hereby are fit for their intended use.

e. The Seller warrants that all the common facilities are fit for their intended use and Seller warrants the construction of same for a period of two (2) years from the date of completion of each facility. The Seller 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.

f. The Seller 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 this Contract to purchase a Home, unless otherwise noted herein.

g. All landscaping installed by Seller is warranted for one year from the date of installation; however, the Seller does not warrant any trees and natural growth which existed on the Property prior to Seller's construction on the Property.

h. At the time of closing of title to a Home the Seller 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.

Seller does not independently warrant any such appliances, equipment or other personal property except to the extent required under this Paragraph 20.

SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY ARISING BY VIRTUE OF LAW OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE WITH RESPECT TO THIS CONTRACT. THIS MEANS THAT THE ONLY WARRANTIES WHICH ARE GIVEN BY SELLER TO BUYER ARE THOSE LISTED IN THIS PARAGRAPH 20. BY SIGNING THIS CONTRACT BUYER ACKNOWLEDGES THIS DISCLAIMER BY SELLER.

SELLER ALSO EXPRESSLY DISCLAIMS LIABILITY FOR ANY CONSEQUENTIAL DAMAGES ARISING OUT OF ANY BREACH OF ANY WARRANTY. THIS MEANS THAT SELLER WILL NOT BE RESPONSIBLE IF ANY PERSONAL PROPERTY IS DAMAGED BECAUSE OF A DEFECT IN ANY WARRANTED ITEM.

21. Membership in Association.

Upon closing of title, Buyer will automatically become a Member of The Village Grande at English Mill Homeowners Association ("Association"). Buyer will be a Member of said Association for so long as Buyer owns the Property. Buyer agrees to abide by

the Associations By-Laws and any Rules and Regulations that may, from time to time, be promulgated by the Association and/or Board of Directors. The Association and the Buyer's membership in the Association are subject to all of the terms of the Declaration of Covenants and Restrictions which has been or will be recorded for the Association and the Certificate of Incorporation, By-Laws and Rules and Regulations of the Association, as same may be modified after the date hereof. All of the foregoing documents of the Association are referred to collectively in this Agreement as the "Governing Documents". The Governing Documents and their exhibits set forth the rights and obligation of Buyer, the Association and other Dwelling Owners as well as the Budget for the Association. The Public Offering Statement which has been prepared for this Community contains copies of the Governing Documents.

22. Common Property.

Buyer will acquire such beneficial interest in the Common Property of the Community as set forth in the Governing Documents. The Common Property will be managed, operated and maintained by the Association for the benefit of all owners of Property in the Community. The funds necessary to operate and repair the Common Property (as well as other common expenses and the cost of services provided by the Association) are obtained by the Association through the monthly maintenance fees which are allocated among Buyers in accordance with the Governing Documents.

Buyer shall consult the Public Offering Statement, or the Governing Documents as applicable, in order to determine the kind, nature, extent, capacity and availability of the Common Property, including improvements installed or to be installed. When Buyer is the owner of the Property, Buyer will be entitled to use the Common Property for the purposes of which intended. This right is governed by and subject to the Governing Documents. Buyer should consult the Public Offering Statement and the Governing Documents, as applicable, for the Community for limitations and restrictions which are imposed or exist upon the use and availability of the Common Property.

23. Site Visits.

Buyer, and its invitees, agents and contractors, shall not do any work whatsoever in the house prior to closing of title. Furthermore, insurance regulations preclude Buyer from entering the Property at any time without being accompanied by Seller's Representative. All visits shall be by appointment and only at the convenience of Seller. It is expressly agreed that a breach of this paragraph shall entitle Seller to exercise all rights and remedies it might have against Buyer. Buyer hereby assumes

all risks and loss relating to Buyer's entering of the Property prior to closing.

24. Preoccupancy Homeowner Orientation.

Seller will specify the time and date for a homeowner orientation and inspection of the Property by Buyer. This orientation and inspection will be conducted within one to three days prior to closing. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chilled tiles, screens, glass surfaces or similar defects not noted on this walk through or correction are excluded from the Seller's responsibility. It is understood that as long as a certificate of occupancy has been issued, the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Contract.

Seller represents that there are no known defects in the construction of the Dwelling that is the subject of this Contract or of the common areas and facilities that the Buyer could not detect with a reasonable inspection under this Paragraph.

25. Entire Agreement.

This Contract and the Application for Registration filed with the New Jersey Department of Community Affairs constitute the entire agreement between Seller and Buyer and supersedes all prior agreements between the parties. There are no other agreements, understandings or representations other than those contained in this Contract or in any other written instrument which is made a part of this Contract and signed by Buyer and Seller.

No salesperson, broker or other person has any authority to modify the terms of this Contract or to make any other agreements, representations or promises. Unless expressly referenced in this Contract, the model homes, sale brochures, advertising and other promotional materials are not part of this Contract.

This Contract shall not survive closing of title and delivery of the deed but, instead, shall merge into the deed.

26. Assignment, Binding Effect, Recording.

Buyers interest and obligations under this Contract cannot be assigned (i.e. transferred to another party) without Seller's written consent. This Contract will bind and inure to the benefit of Buyer and Seller and their respective permitted successors, assigns, or personal representative. This Contract shall not be recorded in the office for the recording of deeds or in any other office of public record.

27. Notices.

Except for the notices described in Paragraphs 11 and 30, all required notices shall be in writing and sent by certified mail, return receipt requested, postage prepaid, to the address shown in this Contract. Notice is deemed given twenty-four (24) hours after mailing. Notice may also be given by personal delivery, overnight courier or facsimile mail. In such event, notice shall be deemed given when received by the recipient.

28. Headings.

The headings in this Contract are for convenience only and do not affect the meanings or interpretations of the terms and conditions.

29. Governing Law.

This Contract is governed by New Jersey law. If any part of this Contract is deemed illegal or unenforceable, the rest of the Contract will, at Seller's option, remain in full force and effect, or in the alternative, Seller may cancel this Contract and refund all monies paid to Seller by Buyer and Seller and Buyer will have no further rights or liabilities to each other at law or equity.

30. Attorney Review

(a) Study by Attorney

Buyer and/or Seller may choose to have an attorney study this Contract. If an attorney is consulted, the attorney must complete his or her review of the Contract within three (3) business days (as calculated below). The Contract will be legally binding at the end of this three (3) day period unless an attorney for Buyer or Seller reviews and disapproves of the Contract.

(b) Counting the Time.

The parties count the three days from the date of delivery of the signed Contract to Buyer and to Seller. You do not count Saturdays, Sundays or legal holidays. Buyer and Seller may agree in writing to extend the three (3) day period for attorney review.

(c) Notice of Disapproval

If an attorney for Buyer or Seller reviews and disapproves of this Contract, the attorney must notify the Broker(s) and Buyer and Seller within the three (3) day period, otherwise this Contract will be legally binding as written. The attorney must send a notice of disapproval to the Broker(s) and Buyer and Seller by certified mail, by facsimile, or by delivering it personally. The facsimile or certified letter will be effective upon delivery to the Broker's and Seller's respective offices and to Buyer at his or her address on page 1 of this Contract. The attorney may also, but need not, inform the Broker(s) and the parties of any suggested revisions in the Contract that would make it satisfactory.

(d) Other Rights of Cancellation

The provisions of subparagraphs a, b and c above are required by law due to the fact that this Contract is being completed by a real estate broker. These provisions do not modify or lessen any other rights of cancellation given in this Contract. Buyer should familiarize himself or herself with the other rights of cancellation as they are broader than those discussed above.

31. Modifications.

Seller encourages Buyer to have an attorney review this Contract. Seller, however, is not required to accept any modification to this Contract. If Buyer or Buyer's attorney submits any proposed modifications during the attorney review period, Seller will have the right to treat that as a rejection of the Contract and promptly terminate the Contract and return Buyer's deposit.

32. Real Estate Broker.

IF BUYER AND SELLER HAVE NOT BOTH SIGNED A COMPLETED REAL ESTATE BROKER RIDER, THEN BUYER REPRESENTS THAT BUYER WAS NOT INTRODUCED TO THE PROPERTY BY ANY BROKER OR SALESPERSON. SHOULD ANY BROKER, SALESPERSON OR OTHER PERSON ASSERT A CLAIM FOR A COMMISSION OR FEE, BUYER AGREES TO BE RESPONSIBLE FOR THAT COMMISSION OR FEE. BUYER FURTHER AGREES TO PAY SELLER'S ATTORNEY'S FEES IF SELLER IS SUED FOR ANY COMMISSION OR FEE.

33. Power of Attorney.

Buyer agrees that at the time of closing, Buyer will execute a power of attorney appointing Seller as Buyer's attorney-in-fact for the purposes of amending the Governing Documents without Buyer's prior consent if required by the title insurance company selected to insure title, a governmental or quasi-governmental agency, or as specifically provided for in the Governing Documents, so long as any such amendment does not reserve any additional special privileges to Seller under the Governing

Documents. Buyer acknowledges that this power of attorney is coupled with an interest in the subject matter.

34. Age Restrictions.

The Buyer understands and acknowledges that the permanent residents of each Home within the Community must include at least one person who is at least fifty-five (55) years of age and that no children under 19 years of age shall be permitted to permanently reside in the Home. Unless otherwise permitted by applicable laws, neither the Buyer nor any person(s) to whom the Buyer may sell, give or otherwise transfer the Home may occupy the Home unless and until the Age Restrictions set forth in Article IX of the Declaration of Covenants and Restrictions have been satisfied.

Buyers hereby warrant and represent that the initial permanent residents of the Home and their dates of birth are as follows:

Name: _____ Date of Birth: _____

Name: _____ Date of Birth: _____

Name: _____ Date of Birth: _____

34. Megan's Law Statement.

Under New Jersey law, the county prosecutor determines whether and how to provide notice of the presence of convicted sex offenders in an area.

In their professional capacity, real estate licensees are not entitled to notification by the county prosecutor under Megan's Law and are unable to obtain such information for you. Upon closing, the county prosecutor may be contacted for such further information as may be disclosable to you.

35. Public Offering Statement.

THE BUYER ACKNOWLEDGES THAT PRIOR TO SIGNING THIS CONTRACT, THE SELLER PROVIDED THE BUYER WITH A COPY OF THE PUBLIC OFFERING STATEMENT FOR THE COMMUNITY AS CURRENTLY REGISTERED WITH THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS.

The Seller and the Buyer agree to the terms of this Contract by signing below. If a party is a corporation, this Contract is signed by its proper corporate officers and its corporate seal is affixed.

NOTICE TO BUYER(S): YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE SELLER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER(S) :

Buyer

Date

Buyer

Date

SELLER:

D.R. HORTON, INC.-NEW JERSEY

By: _____
Authorized Agent of Seller

Date

Notice of Seller's Business Affiliations

To: _____
[Homebuyer(s)]

PROPERTY: _____

FROM: D.R. HORTON, INC. – NEW JERSEY
[Seller]

DATE: _____

This is to give you notice that **D.R. Horton, Inc. – New Jersey** has a business relationship with:

DHI MORTGAGE COMPANY, LTD.
700 East Gate Drive, Suite 115
Mount Laurel, NJ 08054

GRANDE TITLE AGENCY L.L.C.
185 W. White Horse Pike, Suite A
Berlin, NJ 08009

GRANDE REALTY
20 Gibson Place
Freehold, NJ 07728

The nature of this business relationship is that these companies are corporate affiliates, each being wholly or partially owned by, or by a subsidiary of, the same parent corporation. Because of this relationship, this referral may provide **D.R. Horton, Inc. – New Jersey** a financial or other benefit.

Set forth below is the estimated charge or range of charges by each company for settlement services listed. You are **NOT** required to use these companies as a condition of your purchase of the Property from **D.R. Horton, Inc. – New Jersey** or as a condition of your application for, or settlement of, a mortgage loan on the Property in connection with your purchase. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

DHI MORTGAGE COMPANY, LTD.	
Service	Charge or Range
Processing Fee: (Conventional Loans Only)	\$350.00
GRANDE TITLE AGENCY L.L.C.	
Service	Charge or Range
Closing/Settlement Fee	\$300.00-\$325.00
Lender's Policy (if simultaneous issue with Owner's)	\$25.00
Endorsements	\$25.00 each
Examination Fee	\$90.00
Patriot Name Search	\$10.00
Notice of Settlement	\$60.00

NOTE: A Good Faith Estimate of all settlement charges will be provided to you at or within three business days after loan application.

ACKNOWLEDGMENT:

I/we have read this disclosure form and understand that D.R. HORTON, Inc. – New Jersey referring me/us to purchase the above-described settlement services from DHI MORTGAGE COMPANY, LTD., GRANDE TITLE AGENCY L.L.C. AND GRANDE REALTY and may receive a financial or other benefit as the result of this referral.

Homebuyer

Homebuyer

Homebuyer

Homebuyer

EXHIBIT 4
SAMPLE DEED

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Prepared by: _____

DEED

THIS DEED is made this _____ day of _____ in the year 200____ between D.R. HORTON, INC. - NEW JERSEY, having an office at 20 Gibson Place, Freehold, New Jersey 07728, referred to in this document as "Grantor", and _____ residing or located at _____ referred to in this document as "Grantee". (The word "Grantee" includes all Grantees under this Deed.)

In return for the payment to the Grantor by the Grantee of _____ (\$ _____

)Dollars, the Grantor grants and conveys to the Grantee a certain Home, located in the Township of Egg Harbor, County of Atlantic and State of New Jersey, specifically described as follows: _____, situated in The Village Grande at English Mill (referred to in this Deed as the "Home").

The conveyance evidenced by this Deed is made under the provisions of and is subject to the Planned Real Estate Development Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), as amended, and any applicable regulations adopted under law. The conveyance evidenced by this Deed is also made in accordance with the terms, limitations, conditions, covenants, restrictions, easements, agreements, provisions and Exhibits set forth in that certain Declaration of Covenants and Restrictions for The Village Grande at English Mill recorded _____ in the office of

the Clerk of Burlington County in Deed Book ____ at Page ____ et seq., as the same may now or hereafter be lawfully amended.

The Home is now designated as Lot ____ in Block ____ on the municipal tax map of the Township of Egg Harbor (or as Account No. ____).

(check box if applicable) ☐ No property tax identification number for the land is available at the time of this conveyance.

This Deed is also subject to all easements, terms, conditions, reservations, rights-of-way, air rights, covenants and other matters of record; all governmental statutes, ordinances and regulations, possible added assessments for the year of sale as set or levied under N.J.S.A. 54:4-63.1 et seq.; and all facts that an accurate survey of the Development may disclose.

This Deed entitles the Grantee to have and to hold for its proper use and benefit forever the Home and all it is subject to as described in this document.

The Grantor covenants that the Grantor has done nothing which encumbers or adversely affects title to the Home or the Property of the Development.

By the acceptance of this Deed, the Grantee consents to any future amendments or revisions of the Declaration or the By-Laws of The Village Grande at English Mill Homeowners Association, Inc. (referred to in this Deed as the "Governing Documents"), which may be required by the laws or governmental agencies of the State of New Jersey in connection with the sale of any property described in the Governing Documents; and/or by any title insurance company insuring title to any portion of the

Development at the Grantor's request; and/or by an Institutional Lender providing mortgage loans to owners.

If an amendment is required for any one of the reasons described above, then the Grantee expressly agrees that the Grantor is authorized, on behalf of the Grantee, to sign and record any document necessary to make the amendment effective. This authority is called a power of attorney, and the Grantor, in exercising this authority, is referred to as the Grantee's attorney-in-fact. By this Deed, the Grantee designates the Grantor as having this authority. This power of attorney will be binding upon anyone who claims an interest in the Home by or through the Grantee, such as a mortgagee, other lienholders, a purchaser, a tenant or someone with an interest acquired through a will or by operation of law. If an amendment is required for one of the reasons expressed, only the signature of the attorney-in-fact is required for the amendment to be effective. However, the Grantor may not exercise its authority as attorney-in-fact without a separate written consent of the Grantee if the amendment would adversely and materially affect the priority or validity of any Permitted First Mortgage or the value of any Home.

The Grantee declares and acknowledges that this power of attorney is coupled with an interest in the subject matter. The Grantee understands that the Grantor has caused the Governing Documents to be adopted, recorded and binding on the owners of all Homes in the Development for the mutual benefit of the owners of all Homes including the Grantor. The Grantor, as the offeror of the Homes in the Community, the initial seller of Homes and

the present owner of Homes has an interest in the Community and in the amendment of the Governing Documents under the circumstances described. For this reason, this power of attorney may not be revoked by the Grantee.

The power of attorney will be effective until the sale of the last Home in the ordinary course of business. This power of attorney shall not be affected by the death or disability of any principal.

The Grantor has received the full payment from the Grantee.

This Deed is signed by the Grantor's corporate officers and its corporate seal is affixed hereto on the date first mentioned above.

ATTEST: D.R. HORTON, INC. - NEW JERSEY,
Grantor

_____, Secretary By: _____, President

WITNESS:

_____, (L.S.)
Grantee

_____, (L.S.)
Grantee

_____, (L.S.)
Grantee

CERTIFICATE OF ACKNOWLEDGEMENT BY INDIVIDUAL

STATE OF NEW JERSEY)
) SS.:
COUNTY OF)

I am _____, an officer authorized to take acknowledgements and proofs in this State. I sign this acknowledgement below to certify that it was made before me.

On _____, 200____,

appeared before me in person. (If more than one person appears the words "this person" shall include all persons named who appeared before the officer and made this acknowledgement.) I am satisfied that this person is the person named in and who signed this Deed. This person acknowledged signing, sealing and delivering this Deed as this person's act and deed for the uses and purposes expressed in this Deed.

(Officer's signature and title.)

CORPORATE PROOF BY THE SUBSCRIBING WITNESS

STATE OF NEW JERSEY)

) ss.:

COUNTY OF)

BE IT REMEMBERED, that on this _____ day
of _____, 200____, before me the subscriber, the
undersigned _____ authority, _____ personally appeared
_____ who, being by me duly sworn on _____
oath, deposes and makes proof to my satisfaction that _____
is the Secretary of D.R. HORTON, INC. - NEW JERSEY, the
corporation named in the within Instrument; that
_____ is the President of said Corporation; that the
execution, as well as the making of this Instrument, has been
duly authorized by a proper resolution of the Board of Directors
of the said Corporation; and that the seal affixed to said
Instrument is the proper corporate seal and was thereto affixed
and said Instrument signed and delivered by said President as and
for the voluntary act and deed of said Corporation, in the
presence of deponent, who thereupon subscribed his name thereto
as attesting witness; and that the full and actual consideration
paid or to be paid for the transfer of title or realty evidenced
by the within deed, as such consideration is defined in P.L.
1968, c. 49, Sec. 1(c), is \$_____.

Sworn to and subscribed
before me, the date aforesaid.

EXHIBIT 5

PROPOSED MANAGEMENT AGREEMENT

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WENTWORTH PROPERTY MANAGEMENT
Community Association Management Agreement

THIS AGREEMENT, made as of March 1, 2004, by and between **THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION**, (hereinafter the "Association") and **WENTWORTH PROPERTY MANAGEMENT CORPORATION**, (hereinafter "Agent")

WITNESSETH:

In consideration of the mutual promises, terms and conditions as specifically set forth below, the parties agree as follows:

1. APPOINTMENT.

1.01 Association hereby appoints Agent as managing agent for the community known as **THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION** and situated in Atlantic County, New Jersey, (hereinafter the "Property") subject to the terms and conditions hereinafter set forth.

1.02 Agent agrees to provide management services to and for the Association for the term of this agreement, subject to the terms and conditions hereinafter set forth.

2. TERM.

2.01 The term of this agreement shall be for a period of two (2) year(s), beginning as of the date of the first home closing and ending two years thereafter, provided that either party may terminate this agreement, without cause, by providing the other with written notice such that the termination is effective at the end of the following month.

3. SCOPE OF SERVICES.

3.01 The Association specifically empowers the Agent, and the Agent agrees to perform all of the services set forth in this paragraph (3) three.

3.02 **FISCAL MANAGEMENT.**

Agent shall assist the Association in matters relating to its fiscal management, including, without limitation, the following:

(a) **RECEIPTS.** Agent shall collect and, as appropriate, receipt for all assessments and other charges due to the Association from its members or otherwise from Association operations including all rental or other income from concessionaires, if any. All such payments shall be received by Association's lock box at the financial institution selected from time to time by Agent. All funds received shall be immediately deposited in one or more Bank accounts titled to the Association.

(b) **COLLECTIONS.** Agent shall take such action as is reasonable and necessary to collect any delinquent receivables due to Association, provided that any such action is in accordance with law and Association policy and practices, as provided for by the Master Deed, Bylaws or Rules and Regulations of the Association (hereinafter the "Governing Documents") or by the resolution of the governing body of the Association (hereinafter the "Board"). Collection activity shall include late notices and imposition of late fee charges, notice of delinquency, and referral to and coordination with legal counsel. Agent shall assist Association to review and revise collection policies and practices where appropriate.

(c) DELINQUENT ACCOUNTS. Agent is authorized to take reasonable steps for collection of delinquent accounts. The Agent is authorized to assess each delinquent account a late charge and a delinquent processing charge, along with other charges for collection and lien fees, reflective of the costs of collection, accounting, payment plan monitoring and legal proceedings. Agent shall be paid an administrative charge of \$75.00 for the processing of any accounts turned over to the Association's attorney for collection.

(d) DEPOSITORY ACCOUNTS. All funds of the Association in the control of Agent shall be held in one or more depository accounts or investment instruments in the name of the Association segregated from any other funds of Agent or otherwise.

(e) DISBURSEMENTS. From the available funds of the Association, Agent shall disburse funds for operations, capital and other budgeted, approved or emergency expenditures (including Agent's compensation) subject to the terms and conditions herein set forth.

(f) FINANCIAL RECORDS. Agent shall maintain the financial books and records of the Association, including all contracts, purchase orders, vouchers and receipted bills and such other information as may be reasonable or necessary in order to administer and account for the financial affairs of the Association.

(g) REPORTS. Agent shall submit to the designated representative(s) of the Board monthly financial reports, which may include (at the discretion of Association) (1) Cash Receipts and Disbursements Statement, (2) Profit and Loss Statement with Variance to Budget, (3) Balance Sheet, (4) Schedule of Aged Receivables, (5) Schedule of Open Payables, (6) Bank reconciliation, and (7) such other information as the Association may reasonably require (the "Financial Report"). Each Financial Report shall be completed and submitted to the designated representative(s) on or before the 20th day of the succeeding month.

(h) PRIOR PERIOD ACCOUNTS. For the purpose of accounting continuity, Agent shall input such financial information as is available to it respecting operations prior to Agent's tenure and otherwise use reasonable efforts to establish accurate opening period balances. Agent does not warrant the accuracy of any financial information that was not developed by Agent.

(i) BUDGET DEVELOPMENT. Except where the Association has adopted a contrary procedure, sixty (60) days prior to the end of Association's fiscal year Agent shall submit to Association a recommended "draft" operating budget for the next year (the draft "Budget"). The draft Budget shall be presented with such support and documentation as necessary to test the credibility and assumptions utilized by Agent in the development of the draft Budget.

(j) RESERVE FUNDING. Agent shall maintain Reserve funds as required by Association and shall undertake to advise Association respecting investment alternatives and reserve estimate updates.

(k) ACCOUNTANT COOPERATION. Agent shall cooperate with Association's Accountant(s) or auditor(s) in connection with the preparation of an independent financial statement or audit and in connection with the preparation and filing of any tax returns required to be filed by the Association.

3.03 CONTRACTS.

(a) Agent shall, subject to the direction of Association, negotiate, execute, and make payments pursuant to the approved terms of all contracts for goods or services required by the Association, including, without limitation, contracts for water, electricity, gas, telephone, maintenance contracts, HVAC systems, fuel oil, landscaping, professional services, and contracts pertaining to such other goods and services required by the Association.

(b) To the extent reasonably feasible, except as permitted or directed by the Association,

contracts for all amounts in excess of \$1,000.00 in the aggregate in any one year with any one third party shall be solicited in a competitive bidding process, with the Agent making a recommendation to the Association based on price and competence.

(c) Agent shall oversee the initiation and performance of all contracts and shall require vendor compliance with the terms and conditions thereof, including without limitation (1) provision of insurance certificates, (2) review of work quality, and (3) enforcement of warranties.

(d) Agent shall maintain uniform purchasing systems and procedures in order to conform to the policies established by Association, the terms and conditions hereof, and generally accepted accounting principles.

3.04 EMPLOYEES.

(a) On the basis of the Budget, job standards, and wage rates approved by the Association, Agent shall hire, pay, negotiate collective bargaining agreements with, supervise, and discharge managers, clerks, engineers, janitors, security, and other personnel as may be required to maintain and operate the Property.

(b) All such personnel shall be, at the option of Agent, employees of the Agent or employees of the Association; however, under either circumstance, except as set forth in Exhibit A, attached hereto and made a part hereof, the cost associated with such personnel shall be the Association's sole responsibility.

(c) Agent shall execute and file all tax returns and other instruments and do and perform all acts required as an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, Subtitle C of the Internal Revenue Code of 1954 and any applicable State tax act with respect to wages paid by the Agent, all at the expense of the Association.

(d) Association recognizes the importance and value of Agent's employees to their business and agrees to refrain from hiring, directly or indirectly, any person(s) who is or was employed by the Agent during the term of this agreement and for two years following the termination of this agreement without first obtaining written consent of Agent.

(e) All of Agent's employees are subject to periodic training, education and certification programs, designed to provide such personnel with information respecting new procedures and developments and to reinforce their skills and ability. Association shall cooperate with Agent and periodically excuse Agent's employees from responsibilities at the Property so that employees can attend such programs. Programs are scheduled so as to provide for minimum interference and continuity at work. Agent estimates that each employee shall be required to attend 40 hours of in-service programs each year.

3.05 INSURANCE.

(a) Agent shall assist the Association in procuring appropriate property and liability insurance, and such other coverage as may be necessary or desirable.

(b) Agent shall maintain records of all insurance coverage carried by the Association and assist the Association in reporting and investigating any accidents or claims for damage relating to the ownership, operation, or maintenance of the common elements of the Association, including any damage or destruction thereto.

(c) Agent shall assist the Association in responding to and taking such action to correct any noted deficiencies or violations contained in any report, citation, or other communication from any insurance underwriter, association of fire underwriters, federal, state or local agency.

3.06 COMMON ELEMENTS.

(a) Agent shall use its best efforts to maintain the Property, including all common elements and limited common elements of the buildings, appurtenances, and grounds, in accordance with appropriate standards of safety and maintenance consistent with the character and budget limitations of the Association.

(b) Agent will use its best efforts to establish and maintain such preventative maintenance regimes and inventory records as necessary in order to properly maintain the Property and personalty owned by the Association and situate therein.

(c) Agent shall conduct regular inspections of the Property, not less than once per month, in order to determine the condition of the Property, the adequacy of the care and maintenance thereof, and compliance with all Association's rules and regulations.

3.07 RULES AND REGULATIONS

(a) Agent shall assist the Board to adopt, maintain and enforce proper rules and regulations including architectural control issues.

(b) Agent will recommend action in the administration and enforcement of fines, legal action, etc., with regard to infractions of the rules and regulations and in accordance with Association's policies and procedures.

(c) Agent shall advise the Association respecting the laws and court decisions impacting on the enforcement of rules and regulations and shall proceed to enforce such rules and regulations in accordance with Association policies.

(d) Agent will receive, log and communicate all written complaints regarding violations of any covenant of the Association.

3.08 CAPITAL IMPROVEMENTS.

(a) Agent shall make such periodic recommendations as are necessary or appropriate to the Association with respect to capital improvements and reserves for capital improvements.

3.09 PROPERTY MANAGEMENT TEAM

(a) Agent shall designate one of its employees as the Community Manager for the Association. The Community Manager shall be the person primarily responsible for Agent's performance hereunder and shall be the primary contact and liaison between Agent and Association.

(b) The Community Manager shall be assisted and supported by Wentworth personnel including, without limitation, the Regional Vice President to whom the Community Manager reports, the Executive Vice President for Operations, the Vice President - Finance, staff accountants, bookkeepers and other accounting personnel, Wentworth's legal, construction and insurance specialists.

(c) In the event that the Community Manager is unavailable to perform required duties, Wentworth's senior management team shall intervene to insure continuity of services and resources.

3.10 ASSOCIATION COMMUNICATIONS.

(a) Agent shall assist the Association in maintaining necessary and appropriate communications with its members, including, without limitation, the provision of all notices required by the Governing Documents, information respecting the Association to new members, and response to all inquiries or complaints.

(b) Agent shall systematically log written inquiries, correspondence, and other matters reported to it by members, and shall maintain appropriate copies and records thereof.

(c) Agent shall maintain provisions for 24-hour access to the Agent for emergency services.

3.11 NON-FINANCIAL REPORTING.

(a) Agent shall communicate to the Association on a regular basis information respecting or pertaining to legislation, court decisions, tax rulings, financial practices, litigation, insurance matters, correspondence, title transfers, work in progress, rules and regulation infractions, site conditions, maintenance issues, and any other matter or material relating to the affairs or operations of the Association.

(b) In the event of an emergency condition, Agent shall report such condition to any officer of the Association as soon as possible.

3.12 MEETINGS

(a) Subject to the terms hereof, except in the event of matter beyond Agent's control, the Primary Community Manager shall attend all regular meetings of the Association and emergency meetings, when required, but not to exceed six (6) per annum.

(b) Agent shall assist the Association in the annual election meeting of the Association, including the preparation of all election material including proxies, ballots and notices.

(c) Agent shall distribute to Association's Board in advance of each meeting an agenda as established by Association, along with materials, which will support the facilitation of the meeting.

(d) Agent will attend six (6) meetings of the Board of Directors. Time in excess of two (2) hours per meeting or fraction thereof that lasts after 9:00pm shall be charge at a rate in accordance with Schedule A of this agreement. Agent will attend meetings scheduled Monday through Thursday, except holidays. Meetings held on days other than those identified herein, and that the Agent agrees to attend will be charged in accordance with Schedule A of this agreement.

3.13 RECORD KEEPING

(a) Agent shall retain a complete set of files and records where available respecting the Association including the following:

- a. Current Owner Listing
- b. Association Documents
- c. Amendments to the Declaration
- d. Rules and Regulations
- e. Policies and Resolutions

- f. Current Contracts
- g. Insurance Policies and Quotes
- h. Financial Statements
- i. Plot plans
- j. Specifications and Guidelines for Architectural Requests
- k. Minute Book
- l. Corporate seal
- m. Agendas
- n. Property/Equipment Inventory
- o. List of contractors
- p. Inspection reports
- q. Individual owner files

(b) The parties acknowledge that all such records and files shall be retained by Agent during the term of this agreement, provided that files that are more than three years old may be transferred to a storage facility and retained there at a charge to the Association.

(c) Agent shall use its best efforts to maintain all records and files of the Association in a safe and secure environment. The parties acknowledge, however, that Agent will not utilize fire resistant cabinets or facilities and files may be subject to loss or damage, for which Agent is not responsible.

4. LIMITATIONS ON AGENT'S RESPONSIBILITY AND AUTHORITY.

4.01 EXPENSE LIMIT

(a) In discharging its responsibilities pursuant to Paragraph 3 hereof, Agent shall not make any expenditure nor incur any non-recurring contractual obligation unless such expenditure is provided for in the Association's approved Budget or is specifically approved by Association, unless such expenditure is less than **\$500.00**, and with prior authorization by the Board of Directors.

(b) Notwithstanding the provisions above, Agent may exceed the **\$500.00** limitation, without consent of the Association in the event of an emergency, defined as a condition that involves a danger to person or property or may threaten the safety of any Association member(s) and/or community occupant(s), or may threaten the suspension of any necessary services to the Association or its facilities, including utilities. Agent will make reasonable effort to notify the President of the Board of Directors.

4.02 MAINTENANCE & REPAIRS

(a) Agent shall have no authority or obligation with respect to the maintenance or repair of any individual dwelling unit within the Property with the exception of emergency services or by mutual agreement.

(b) Agent shall have no authority to make any structural changes in or to the Association Property or to make any other major alterations or additions in any building or equipment herein except such emergency repairs as may be required because of danger of life or property or which are immediately necessary for the preservation and safety of the Association or its members or occupants.

(c) Agent is not responsible for compliance by the Association with requirements of any ordinance, law, rules or regulations (including those relating to the use, maintenance and disposal of solid, liquid and gaseous waste) of any County, State or Federal Government, or any agency or authority thereof, except to notify the Association promptly or forward to the Association promptly, any complaints, warnings, notices or summons received by it relating to such matters.

(d) Agent may advise and consult with Association respecting its mechanical systems; however Agent shall not be an operator of or otherwise in control of or charged with the maintenance of any system which utilizes fuels, substances or materials that, if handled improperly, could create an environmental impact. If necessary Association shall hire or retain independent professionals to operate or maintain such systems.

4.03 EXCLUDED SERVICES.

(a) Agent is devoted to provide Association with such advice, administration and assistance as it may require with respect to the operation of the Association's property and business. Certain requested activities may, however, require extraordinary time commitments outside the scope of the parties' reasonable intentions. Such services include, but are not limited to the following:

- A. Litigation support (including court appearances and preparation therefore)
- B. Insurance claim administration on cases involving property damage and personal injury items covered under the association's policy. Administrative charges by the Managing Agent under this provision are charges incurred after the initial claim filing and shall accordingly be submitted with the claim.
- C. Any capital projects which would require the complete attention of the manager or management staff.
- D. Wholesale revisions of Association documents.
- E. Processing, supervision and negotiation respecting warranty claims resulting from work preformed prior to the inception of a management relationship with Agent.

(a) Should Agent provide direct supervision of major construction or capital project(s) at the request of the Board, Agent shall receive a fee equal to ten (10%) percent of the project expense.

(b) In the event of an insurance claim, Agent shall receive a fee equal to 10% of the insurance proceeds for assistance in the administration and adjustment of the claim and reconstruction.

- F. Consulting and administering requirements of the FHA, Fannie Mae and other approvals needed for financing.
- G. Publication of Association's newsletter.

(b) Should Association request and Managing Agent agree to provide additional or expanded services beyond the services outlined in the Agreement, unless otherwise agreed by the parties, the fee for such shall be charged at an hourly rate of not less than \$55 and not more than \$100 depending on the nature of services required.

(c) Should Association and Managing Agent agree to provide construction coordination services, unless otherwise agreed, Managing Agent shall receive a fee equal to 10% of the total project cost.

(d) Should Association utilize an affiliate of Agent to provide any construction or maintenance services, the charges shall be as negotiated by the parties or otherwise as set forth in Exhibit A. Agent shall not charge any supervision fee as set forth in Paragraph (c) above.

5. ASSOCIATION INDEMNIFICATION.

5.01 AGENCY

(a) Association acknowledges that Agent is acting solely as an agent for the Association and, accordingly, any expenses or liabilities incurred by Agent hereunder, whether in its name or that of the Association, shall be the obligation of Association and not that of Agent.

5.02 INDEMNIFICATION

(a) Except for negligence, gross negligence or willful misconduct, Agent shall not be liable to the Association for any loss or damages incurred in connection with its performance hereunder.

(b) To the extent of the Association's insurance coverage as required herein, the Association will and does hereby indemnify, defend and forever hold harmless Agent, its employees and representatives, from and against any liability, damages, costs, expenses or claims incurred or sustained (including reasonable attorney's fees) in connection with any injury to person or property, or from any matter whatsoever arising from or in connection with Agent's performance of services hereunder.

5.03 ASSOCIATION INSURANCE

(a) Association will maintain liability insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000.00), workers compensation insurance, and such other insurance as necessary or appropriate, all acceptable to Agent, which shall name Agent as an additional insured. Association will provide Agent with a Certificate evidencing such insurance within ten (10) days of the date hereof, and each year thereafter, and such certificate shall provide that insurance may not be terminated without notice to Agent.

6. COMPENSATION.

6.01 BASE COMPENSATION

(a) Association shall pay Agent as compensation for its services hereunder the monthly sum in accordance to Exhibit A, Section 1 (Agent's Fee) payable on the first of each month during the first twelve months of this AGREEMENT (hereinafter "Base Compensation"). The Base Compensation shall be superseded by the adoption of a new annual association budget indicating an adjusted base fee for management services. Adoption of the annual budget by the Association's Board of Directors shall constitute an approval of a Base Compensation change under this agreement, but in no event shall the base fee be less than stated above

6.02 ADDITIONAL COMPENSATION

(a) In addition to the Base Compensation, should the Association require Agent to perform services in addition to those set forth herein, Association's shall pay agent in accordance with the provision set forth in paragraph 4.03 hereof.

(b) Association shall promptly reimburse Agent for (1) all costs associated with any approved Payroll pursuant to paragraph 3.04 directly allocable to the Association, including payroll taxes, workers compensation insurance and like obligations, (2) all direct postage, dedicated fax and long distance charges, stationary and check stock, and other charges set forth in Exhibit A hereof, and (3) any advances made by Agent for the benefit of the Association. The Association will reimburse these routine expenses to the managing Agent as identified in the attached Exhibit "A".

(c) Association acknowledges that affiliates of Agent may receive compensation from the Association for services rendered. Affiliates include Worthmore Maintenance & Construction Co., Worthington Insurance and First Service Financial, Inc. (FFI). FFI aggregates the purchasing resources of more than 1,700 community associations (containing more than 300,000 homes) located throughout the United States. FFI will provide lockbox services to the Association, and may make available insurance and other financial services and products, including access to its national preferred vendor program. FFI services are provided at no cost to Agent or the Association, however, FFI receives fees from the vendors it utilizes to cover its administrative expenses.

(d) Association acknowledges that it is Agent's practice to charge a handling fee directly to homeowners for researching, completing and providing resale and refinance surveys, financing questionnaires and certifications. In order to properly respond to such requests, Agent processes such requests through a separate department whose trained personnel respond with timely and accurate information.

7. TERMINATION AND RENEWAL.

7.01 TERMINATION

(a) This AGREEMENT shall be for the term as set forth in paragraph two (2) provided that the term shall be deemed to have renewed for an additional one year period and successive one year periods thereafter, unless either party provides the other with written notice such that the termination is effective at the end of the next month.

(b) This agreement may be terminated by the Association in the event Managing Agent is found to be in default of this Agreement and Managing Agent fails to cure the default as provided herein. In the event of a default, the Association, through its Board, shall notify Managing Agent in writing of the default, and Managing Agent shall have fifteen (15) days to cure the default. In the event Managing Agent fails to cure the default, the Association may terminate this Agreement, and the termination shall be effective immediately upon receipt of such notice by Managing Agent.

(c) Upon notice of termination, the Agent shall prepare for an orderly transition of responsibilities and records in accordance with the instructions of the Association. Within 15 days from the date of notice of termination, Agent shall make available to the Association for inspection all books and records of the Association in Agent's possession, which material shall be available for turnover to the Association as of the Termination Date. The Association shall bear the cost associated with photocopying material required to be retained by Agent.

(d) As of the date of termination, all sums due to Agent and all contractors, vendors, or other service agents procured by Agent on behalf of the Association shall be paid in full. In the event that there are insufficient funds to fully discharge all such liabilities, the Termination Date may, at the option of Agent, be extended until such funds are available. In the event that the Association disputes any such bills or charges, sufficient funds of the Association shall be deposited in an Escrow Account established in the joint control of the Association and Agent, pending resolution of the dispute. The Association agrees to bear full responsibility to the Provider of such goods or services and shall bear full responsibility for the cost of litigation resulting therefrom, if any.

(e) From and after the notice of termination, Agent shall not incur any expenses or obligations on behalf of Association unless in accordance with the specific written directive of the Association, except payments or reimbursements for previously approved bills.

(f) Agent shall, at no cost to the Association, prepare a final detailed accounting as of the Termination Date, which accounting shall be provided to the Association, together with any unclaimed books and records of the Association, as soon as practical but in any case no later than 45 days after the Termination Date, and thereafter the Agent agrees to cooperate with the Association's auditors regarding their financial and tax audits.

(g) Association acknowledges the value of Agent's employees and agrees to refrain from hiring or contracting with any of Agent's employees, affiliates or principals for a period of two years from the Termination Date.

(h) The revisions of paragraph 5 hereof shall survive termination.

8. AGENT'S INSURANCE

8.01 Agent shall maintain such insurance as is appropriate including without limitation, General Liability insurance, Workman's Compensation insurance, Employee Dishonesty Coverage, and Errors and Omissions insurance. Agent shall provide Association with suitable evidence of such insurance.

9. MISCELLANEOUS PROVISIONS

9.01 SIGNS

(a) Agent reserves the right to affix an (8" x 20") "Professionally Managed by" sign to the existing Association's sign(s). Said signs shall conform to the Association's architectural standards and colors.

9.02 ASSOCIATION'S AUTHORITY

(a) Agent shall take its direction from the Board, Council or other governing body of the Association, acting pursuant to the authority conferred upon it by the Master Deed, Declaration or other documents respecting the governance of the Association.

(b) The Association shall designate, from time to time, one officer of its governing body to act as liaison to Agent (the "Management Liaison"). Agent may rely upon any instructions, statements or approvals communicated to Agent verbally or in writing by Management Liaison, as if the same had been affected by a resolution of the Association's governing body.

9.03 BINDING EFFECT

(a) This Agreement shall inure to the benefit of and constitute a binding obligation upon the parties hereto, their successors and assigns.

(b) This Agreement shall constitute the entire Agreement among the contracting parties and no variance or modification thereof shall be valid and enforceable except in writing. Any subsequent change in this agreement, which might alter the Managing Agent's responsibilities or rights, as defined in this agreement, shall require prior approval by Agent. Should any part, term or provision of this Agreement be declared or decided by any court to be invalid or in conflict with the law, the validity of the remaining portion, terms or provisions, shall not be affected thereby, and the remainder of the Agreement shall continue in full force and effect.

9.04 GOVERNING LAW

(a) This AGREEMENT shall be governed by the laws of the State of New Jersey.

9.05 NOTICES

(a) All notices required hereunder shall be effective if delivered by certified or register mail, delivered as follows:

- (a) If to Agent:
Michael A. Mendillo, President & CEO
Wentworth Property Management of NJ
100 Highway 36, Suite 1A, W. Long Branch, NJ 07764
- (b) If to Association:
The Village Grande at English Mill Homeowners Association
Attn.: President and Secretary

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT the day and year first above written.

For: **VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION**

President Date

ATTEST Date

By: **WENTWORTH PROPERTY MANAGEMENT CORPORATION**

Michael A. Mendillo, President & CEO Date

ATTEST Date

EXHIBIT A

1. AGENT'S FEE:

Phase I

Initial 253 homes

Off-site portfolio management

Total management fee shall be the greater of \$18.00 per closed home per month, or \$750.00 per month.

Phase II

At such time that the Club House facility is completed and in accordance with the number of units sold – Wentworth shall designate a full-time Manager and full-time Activities Director. In addition, at the discretion of the Association – a part-time administrative assistant shall also be assigned to on-site management office.

The Association in accordance with the management proposal and the approved budget shall pay all costs associated with the on-site management personnel.

Total management fee during Phase II shall be equal to \$2,500.00 per month, or \$8.50 per completed unit per month, whichever is greater.

2. REIMBURSABLE EXPENSES:

In addition to the management fee provided in Paragraph 6.01 of the Agreement, Association agrees to reimburse Agent for expenses incurred as follows:

Coupon books - Direct Expense - not less than \$2.50 per book

Computer labels - Direct Expense not less than \$15.00 per mailing

Bank charges including lockbox fee - Direct Expense

Copy charge - \$.25 per copy

Envelopes - Direct expense not less than \$.15 each

Postage - Direct expense

Fax - \$1.00 per page

Long Distance phone calls - cost + 25%

Processing Returned Checks - \$25 per check plus bank charges

Computer Checks - \$.25 per check

Payroll Processing Fee - Greater of 7% of gross payroll or \$10 per check

3. NEW CONSTRUCTION/NEW SETTLEMENT FEE: In addition to the compensation outlined above, the Managing Agent shall receive an initial processing fee of twenty-five (\$25.00) dollars for each new settlement in new construction communities.

5. ASSOCIATION SHALL PAY AGENT COMPENSATION AS FOLLOWS:

Principals - \$150 per hour, Regional Manager/Director - \$125 per hour, Property Management - \$75 per hour, and clerical personnel - \$35 per hour for services performed on behalf of the Association outside the normal course of operations or outside the parameters of this agreement. Agent will advise Association of any unusual event which may result in the above fees being charged to Association.

Acknowledgement of Exhibit A

EXHIBIT 6

FLOOD CERTIFICATION OF CHARLES JONES, L.L.C.

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FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 08000 BLOCK: 3302 LOT: 10 QUALIFIER:	Address Found: 24 HIGH SCHOOL DRIVE EGG HARBOR NJ 08234 BLOCK: 3302 LOT: 10 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone A PARTIAL	5. No NFIP Map
340007 0008 B	16-FEB-1983			

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

☒ Federal Flood insurance is available (community participates in NFIP). ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available.
 CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

☐ YES ☐ NO
PROPERTY IS PARTIALLY AFFECTED BY
SPECIAL FLOOD HAZARD / NEEDS SURVEY.

E. COMMENTS (Optional):

Base Flood Elevation: UNDETERMINED

Note: OPEN SPACE

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1311

Charles Jones

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3326 LOT: 1 QUALIFIER:	Address Found: N/A EGG HARBOR NJ BLOCK: 3326 LOT: 1 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone A PARTIAL	5. No NFIP Map
340007 0008 B	16-FEB-1983			

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- ☒ Federal Flood Insurance is available (community participates in NFIP). ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood Insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

☐ YES ☐ NO
PROPERTY IS PARTIALLY AFFECTED BY
SPECIAL FLOOD HAZARD / NEEDS SURVEY

E. COMMENTS (Optional):

Base Flood Elevation: UNDETERMINED

Note: OPEN SPACE

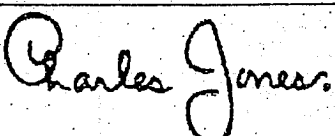
CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)  Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	Date of Determination 15-APR-2004 Search Number FL04-106-1333
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FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3323 LOT: 101 THRU 174 QUALIFIER:		3. AMOUNT OF FLOOD INSURANCE REQUIRED \$
	Address Found: N/A EGG HARBOR NJ BLOCK: 3323 LOT: 101 THRU 174 QUALIFIER: NA		
3. LENDER ID. NO.	4. LOAN IDENTIFIER		

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION				
1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number	
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007	
B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME				
1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR <input type="checkbox"/> yes _____ Date	4. Flood Zone	5. No NFIP Map
340007 0008 B	16-FEB-1983		C	
C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)				
<input checked="" type="checkbox"/> Federal Flood insurance is available (community participates in NFIP). <input type="checkbox"/> Federal Flood insurance is not available because community is not participating in the NFIP. <input type="checkbox"/> Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood Insurance may not be available. <input checked="" type="checkbox"/> Regular Program <input type="checkbox"/> Emergency Program of NFIP				
CBRA/OPA designation date: _____				

D. DETERMINATION	
IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")?	
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, flood insurance is required by the Flood Disaster Protection Act of 1973. If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.	

E. COMMENTS (Optional):	
CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.	
Requested by: Customer Name: D R HORTON INC - NJ Attention: MITCH NEWMAN / DON M PEPE, ESQ Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ 07728- Customer Reference: ENGLISH MILL	

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.	
F. PREPARER'S INFORMATION	
NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1330

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) : PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3324 LOT: 1 THRU 73 QUALIFIER: Address Found: N/A EGG HARBOR NJ BLOCK: 3324 LOT: 1 THRU 73 QUALIFIER: NA	
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR	4. Flood Zone	5. No NFIP Map
340007 0008 B	16-FEB-1983	<input type="checkbox"/> yes Date	C	

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- ☒ Federal Flood insurance is available (community participates in NFIP). ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA

(ZONES CONTAINING THE LETTERS "A" OR "V")?

☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

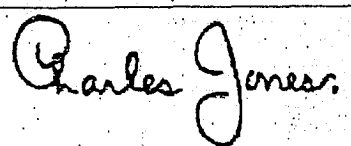
CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ 07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (if other than Lender)  Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	Date of Determination 15-APR-2004 Search Number FL04-106-1331
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FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached). Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3325 LOT: 1 THRU 35 QUALIFIER:		3. ADDRESS FOUND: N/A EGG HARBOR NJ BLOCK: 3325 LOT: 1 THRU 35 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$	

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION				
1. NFIP Community Name EGG HARBOR TOWNSHIP	2. County(ies) ATLANTIC	3. State NJ	4. NFIP Community Number 340007	
B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME				
1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A") 340007 0008.B	2. NFIP Map Panel Effective/ Revised Date 16-FEB-1983	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone C	5. No NFIP Map

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

☒ Federal Flood Insurance is available (community participates in NFIP). ☒ Regular Program ☐ Emergency Program of NFIP

☐ Federal Flood Insurance is not available because community is not participating in the NFIP.

☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood Insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")? ☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ 07728-

Customer Reference: ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (if other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1332

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3326 LOT: 2 THRU 28 QUALIFIER: Address Found: N/A EGG HARBOR NJ BLOCK: 3326 LOT: 2 THRU 28 QUALIFIER: NA	
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone	5. No NFIP Map
340007 0008 B	16-FEB-1983	<input type="checkbox"/> yes Date	C	

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- ☒ Federal Flood insurance is available (community participates in NFIP) ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
07728

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (if other than Lender) Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	Date of Determination 15-APR-2004 Search Number FL04-106-1335
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FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3315 LOT: 1 THRU 13 QUALIFIER:		Address Found: N/A EGG HARBOR NJ BLOCK: 3315 LOT: 1 THRU 13 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$	

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION				
1. NFIP Community Name EGG HARBOR TOWNSHIP	2. County(ies) ATLANTIC	3. State NJ	4. NFIP Community Number 340007	
B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME				
1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A") 340007 0008 B	2. NFIP Map Panel Effective/ Revised Date 16-FEB-1983	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone C	5. No NFIP Map
C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)				
<input checked="" type="checkbox"/> Federal Flood insurance is available. (community participates in NFIP). <input type="checkbox"/> Federal Flood insurance is not available because community is not participating in the NFIP. <input type="checkbox"/> Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood Insurance may not be available. <input checked="" type="checkbox"/> Regular Program <input type="checkbox"/> Emergency Program of NFIP CBRA/OPA designation date: _____				

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC. - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1323

Charles Jones

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3316 LOT: 1 THRU 20 QUALIFIER:		3. ADDRESS FOUND: N/A EGG HARBOR NJ BLOCK: 3316 LOT: 1 THRU 20 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$	

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone C	5. No NFIP Map
340007 0008 B	16-FEB-1983			

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- ☒ Federal Flood Insurance is available (community participates in NFIP) ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood Insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood Insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ 07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1324

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3317 LOT: 1 THRU 25 QUALIFIER:		Address Found: N/A EGG HARBOR NJ BLOCK: 3317 LOT: 1 THRU 25 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$	

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION				
1. NFIP Community Name EGG HARBOR TOWNSHIP	2. County(ies) ATLANTIC	3. State NJ	4. NFIP Community Number 340007	
B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME				
1. NFIP Map Number or Community-Panel Number (Community name, If not the same as "A") 340007 0008 B	2. NFIP Map Panel Effective/ Revised Date 16-FEB-1983	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone C	5. No NFIP Map

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

☒ Federal Flood Insurance is available (community participates in NFIP). ☒ Regular Program ☐ Emergency Program of NFIP

☐ Federal Flood Insurance is not available because community is not participating in the NFIP.

☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood Insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")? ☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ 07728-

Customer Reference: ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1325

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3318 LOT: 1 THRU 32 QUALIFIER:		3. PROPERTY ADDRESS Address Found: N/A EGG HARBOR NJ BLOCK: 3318 LOT: 1 THRU 32 QUALIFIER: NA
	3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR <input type="checkbox"/> yes Date	4. Flood Zone C	5. No NFIP Map
340007 0008 B	16-FEB-1983			

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- ☒ Federal Flood Insurance is available (community participates in NFIP). ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood Insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination 15-APR-2004
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	Search Number FL04-106-1326

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3319 LOT: 1 THRU 11 QUALIFIER:	Address Found: N/A EGG HARBOR NJ BLOCK: 3319 LOT: 1 THRU 11 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION				
1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number	
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007	
B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME				
1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMALOMR	4. Flood Zone	5. No NFIP Map
340007 0008 B	16-FEB-1983	<input type="checkbox"/> yes _____ Date	C	

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

☒ Federal Flood insurance is available (community participates in NFIP) ☒ Regular Program ☐ Emergency Program of NFIP

☐ Federal Flood insurance is not available because community is not participating in the NFIP.

☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")? ☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
07728

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1327

Charles Jones

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3322 LOT: 1, 2 & 3 QUALIFIER:		Address Found: N/A EGG HARBOR NJ BLOCK: 3322 LOT: 1, 2 & 3 QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$	

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
EGG HARBOR TOWNSHIP	ATLANTIC	NJ	340007

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR	4. Flood Zone	5. No NFIP Map
340007 0008 B	16-FEB-1983	<input type="checkbox"/> yes Date	C	

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- ☒ Federal Flood Insurance is available (community participates in NFIP) ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood Insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
 If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE
FLOOD DISASTER PROTECTION ACT OF 1973.

Requested by: Customer Name: D R HORTON INC - NJ
 Attention: MITCH NEWMAN / DON M PEPE, ESQ
 Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
 07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (if other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1329

FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

Adapted from FEMA
Form 81-93 Oct 02

O.M.B. No. 3067-0264
Expires October 31, 2005

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS THE PROPOSED LENDER	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Owner: N/A Address Supplied: N/A EGG HARBOR, NJ 00000 BLOCK: 3313 LOT: 1 THRU QUALIFIER: 22		Address Found: N/A EGG HARBOR NJ BLOCK: 3313 LOT: 1 THRU QUALIFIER: NA
3. LENDER ID. NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED \$	

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name EGG HARBOR TOWNSHIP	2. County(ies) ATLANTIC	3. State NJ	4. NFIP Community Number 340007
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B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A") 340007 0008 B	2. NFIP Map Panel Effective/ Revised Date 16-FEB-1983	3. LOMALOMR <input type="checkbox"/> yes Date	4. Flood Zone C	5. No NFIP Map
---	---	---	------------------------	-------------------

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- ☒ Federal Flood insurance is available (community participates in NFIP). ☒ Regular Program ☐ Emergency Program of NFIP
☐ Federal Flood insurance is not available because community is not participating in the NFIP.
☐ Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood Insurance may not be available.

CBRA/OPA designation date: _____

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
(ZONES CONTAINING THE LETTERS "A" OR "V")?

☐ YES ☒ NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional):

CHARLES JONES, LLC CERTIFIES THIS DETERMINATION TO THE PROPOSED LENDER FOR THE SOLE PURPOSE OF ITS COMPLYING WITH THE FLOOD DISASTER PROTECTION ACT OF 1973.

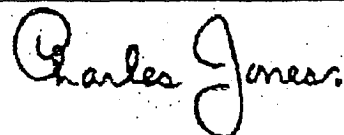
Requested by: Customer Name: D R HORTON INC - NJ
Attention: MITCH NEWMAN / DON M PEPE, ESQ
Address: ATTN: MITCH NEWMAN 20 GIBSON PL FREEHOLD, NJ
07728-

Customer Reference:
ENGLISH MILL

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	Date of Determination
Charles Jones, LLC P.O. Box 8488 Trenton, NJ 08650-0488 www.charlesjones.com	15-APR-2004
	Search Number FL04-106-1315



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EXHIBIT 7

SPECIMEN OWNERS POLICY OF TITLE INSURANCE

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FIRST AMERICAN TITLE INSURANCE COMPANY
SCHEDULE A

SAMPLE

POLICY NUMBER: ABC
AGENT FILE NO. 66666
POLICY DATE: 2/23/04
POLICY AMOUNT: \$185,000.00

1. NAME OF INSURED:

John Smith and Mary Smith, husband and wife, by Deed from D.R. Horton, Inc.-New Jersey, a Delaware Corporation, dated 1/28/04, recorded 2/23/04 in the Atlantic County Clerk's Office in Deed Book 0001, Page 001

2. THE ESTATE OR INTEREST ON THE LAND WHICH IS COVERED BY THIS POLICY IS:

FEE SIMPLE

3. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

Being in the Township of Egg Harbor, County of Atlantic, and the State of New Jersey
more particularly described according to the description contained in the insured document

NOTE: Block JKL, Lot 4, as shown on Plan of Lots "Major Subdivision Plan-Sheet "D",
Final Plan -English Mill" to be filed.

SCHEDULE B
SAMPLE

POLICY NO. ABC

FILE NO. 66666

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEYS' FEES OR EXPENSES) WHICH ARISE BY REASON OF:

1. Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises.
2. Lien of Taxes: 4th quarter 2003 Land Taxes are paid: Subsequent taxes are not yet due and payable
3. Liability for additional assessment for taxes in connection with any new construction, pursuant to N.J.S.A., 54:4-63, 1 et seq, Open from 1/12/04, which are not yet due and or payable.
4. Restrictions as contained in Deed Book 1809, Page 136
5. Restrictions as contained in Deed Book 2052, Page 62.
6. Easement as contained in Deed Book 3652, Page 198 to Atlantic City Electric Company
7. License Agreement as contained in Deed Book 5272, Page 186.
8. The following as shown on Plan of Lots "Major Subdivision Plan-Sheet "D", Final Plan - English Mill" to be filed.
 - (A) 20 foot front and rear building setback line
 - (B) 5 foot side building setback line
 - (C) Sight triangle easements
 - (D) 20 foot drainage easement
 - (E) 15 foot wide emergency access easement
 - (F) 20 foot wide utility easement
 - (G) 25 foot wide perimeter buffer
9. Mortgage in the amount of \$150,000.00 and interest made by John Smith and Mary Smith, husband and wife to ABC Mortgage Corporation, dated 1/28/04, recorded 2/23/04 in the Atlantic County Clerk's Office in Mortgage Book 0001, Page 002

Countersigned

Schedule B of this Policy consists of 1 page(s).

Authorized Signatory

First American Title Insurance Company

SURVEY ENDORSEMENT

SAMPLE

Policy No. ABC

File No. 66666

Exception number 1 in Schedule B of this policy is deleted and the following is substituted therefor:

1. Based upon a survey made by John Smith L.S., License #11111, of Summer and Winters & Associates, Inc., dated 2/01/04, the Company hereby insures against loss or damage which the insured shall sustain by reason of any encroachments, overlaps, boundary line or disputes or easements, excepts as follows:

Except as noted on Schedule B, Item 5 (a) and (b)

This endorsement is a part of the policy or commitment and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy or commitment and prior endorsements if any, nor does it extend the effective date of the policy or commitment and prior endorsements or increase the face amount thereof.

Date: 2/23/2004

Countersigned

Authorized Signature

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FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE A

SAMPLE

Policy Number: ABC
Agent File No. 66666
Policy Date: 2/23/04
Policy Amount: \$150,000.00

1. Name of Insured:

ABC MORTGAGE CORPORATION, and/or its Successors and Assigns as their interest may appear.

2. The estate or interest on the land which is covered by this Policy is:

Fee Simple

3. Title to the estate or interest in the lands is vested in:

John Smith and Mary Smith, husband and wife, by Deed from D.R. Horton, Inc.-New Jersey, a Delaware Corporation, dated 1/28/04, recorded 2/23/04 in the Atlantic County Clerk's Office in Deed Book 0001, Page 001

4. The insured mortgage and assignments, if any, are described as follows:

Mortgage in the amount of \$150,000.00 and interest made by John Smith and Mary Smith, husband and wife to ABC Mortgage Corporation, dated 1/28/04, recorded 2/23/04 in the Atlantic County Clerk's Office in Mortgage Book 0001, Page 002

5. The land referred to in this Policy is described as follows:

Being in the Township of Egg Harbor, County of Atlantic, and the State of New Jersey more particularly described according to the description contained in the insured document

NOTE: Block JKL, Lot 4, as shown on Plan of Lots "Major Subdivision Plan-Sheet "D", Final Plan -English Mill" to be filed.

SCHEDULE B SAMPLE

Policy Number: ABC

Agent File No. 666666

EXCEPTIONS FROM COVERAGE

This Policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises.
2. Lien of Taxes: 4th quarter 2003 Land Taxes are paid: Subsequent taxes are not yet due and payable
3. Liability for additional assessment for taxes in connection with any new construction, pursuant to N.J.S.A., 54:4-63, 1 et seq, Open from 1/12/04, which are not yet due and or payable.
4. Restrictions as contained in Deed Book 1809, Page 136
2. Restrictions as contained in Deed Book 2052, Page 62.
3. Easement as contained in Deed Book 3652, Page 198 to Atlantic City Electric Company
4. License Agreement as contained in Deed Book 5272, Page 186.
5. The following as shown on Plan of Lots "Major Subdivison Plan-Sheet "D", Final Plan - English Mill" to be filed.
 - (A) 20 foot front and rear building setback line
 - (B) 5 foot side building setback line
 - (C) Sight triangle easements
 - (D) 20 foot drainage easement
 - (E) 15 foot wide emergency access easement
 - (F) 20 foot wide utility easement
 - (G) 25 foot wide perimeter buffer

NOTE: This Policy insures that the mortgage as set forth on Schedule A, Item No. 4 is a valid first lien on the premises insured herein.

NOTE: This Policy insures that the Easements do not interfere with use and occupancy of the insured premises, as set forth on Schedule B-Part I, Items No 6, 5(c) and (d), (e) and f.

NOTE: This Policy insures that Exception 5 (a) and (b) of Schedule B, Part 1, of this Policy have been complied with and any future violations thereof will not result in a forfeiture or reversion of title.

NOTE: This Policy insures that the Restrictions have not been violated and any future violation will not result in an reversion or forfeiture of title, as set forth on Schedule B, Part I, Item 4 and 5

Countersigned

Schedule B of this Policy consists of 1 page(s).

First American Title Insurance Company

SURVEY ENDORSEMENT

SAMPLE

Policy No. ABC

File No. 66666

Exception number 1 in Schedule B of this policy is deleted and the following is substituted therefor:

1. Based upon a survey made by John Smith L.S., License #11111, of Summer and Winters & Associates, Inc., dated 2/01/04, the Company hereby insures against loss or damage which the insured shall sustain by reason of any encroachments, overlaps, boundary line or disputes or easements, excepts as follows:

Except as noted on Schedule B, Part 1, Item 5 (a) and (b)

This endorsement is a part of the policy or commitment and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy or commitment and prior endorsements if any, nor does it extend the effective date of the policy or commitment and prior endorsements or increase the face amount thereof.

Date: 2/23/2004

Countersigned

Authorized Signature

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EXHIBIT 8

**AMENDMENT AND SUPPLEMENT TO THE
DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

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AMENDMENT AND SUPPLEMENT TO THE
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
THE VILLAGE GRANDE AT ENGLISH MILL

Prepared by: Christine F. Li, Esq.

RECORD AND RETURN TO:
GREENBAUM, ROWE, SMITH,
RAVIN, DAVIS & HIMMEL LLP
P.O. Box 5600
Woodbridge, New Jersey 07095
Attention: Christine F. Li, Esq.

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AMENDMENT AND SUPPLEMENT TO THE
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
THE VILLAGE GRANDE AT ENGLISH MILL

THIS AMENDMENT AND SUPPLEMENT made this ___ day of _____ 200___, by D.R. Horton, Inc. - New Jersey, a Delaware Corporation, having an office at 20 Gibson Place, Freehold, New Jersey 07728, (hereinafter the "Developer").

W I T N E S S E T H:

WHEREAS, Developer is the owner of the fee simple title to certain real property situate, lying and being in the Township of Egg Harbor, County of Atlantic, and State of New Jersey, as more fully described hereinafter; and

WHEREAS, Developer is creating thereon a planned unit development intended for occupancy by persons, 55 years or older, which is presently intended to ultimately consist of three hundred and one (397) fee simple single-family detached Homes in two (2) or more sections together with certain Common Property, all as described on Exhibit "A" and depicted on Exhibit "B", attached to the Declaration of Covenants and Restrictions (hereinafter the "Declaration") for The Village Grande at English Mill (hereinafter the "Entire Tract"); and

WHEREAS, in order to establish and preserve the character of The Village Grande at English Mill including its character as a high quality adult community, the Developer is desirous of imposing a general scheme of restrictions covering said lands and premises of the Entire Tract for the protection and benefit of the Developer, its successors and assigns, the Entire Tract, and each and every owner of any and all portions thereof; and

WHEREAS, Developer has deemed it advisable to create a homeowners association to which shall be delegated and assigned the power and authority to maintain and administer the Common Property, and certain other portions of the Entire Tract, to administer and enforce the covenants and restrictions governing the Entire Tract, and to collect and disburse all assessments and charges necessary for such maintenance, administration, and enforcement, all as hereinafter provided; and

WHEREAS, Developer has caused to be incorporated under the laws of the State of New Jersey, a non-profit corporation known and designated as The Village Grande at English Mill Homeowners Association, Inc. as the entity to perform the aforesaid functions, and which are hereinafter more fully set forth in the Declaration; and

WHEREAS, the Developer has heretofore subjected to the provisions of the Declaration all of the property described in Exhibit "A-1" and depicted on Exhibit "B-1" of the Declaration, as filed in the Office of the Clerk of Atlantic County on _____, 200__, constituting Section 1 of the Entire Tract; and

WHEREAS, the Developer desires to subject to the provisions of the Declaration and to incorporate into The Village Grande at English Mill the additional lands and improvements in Section ___, as described in Exhibit "A-2" and shown on that certain map entitled _____, consisting of _____ acres and ___ additional _____ Homes dated _____, 200__ and prepared by _____, which map is attached hereto and incorporated herein as Exhibit "B-2"; and

NOW THEREFORE, the Developer hereby amends and supplements the Declaration as follows:

1. The Developer hereby incorporates into The Village Grande at English Mill the additional lands and other improvements described in Exhibit "A-2" and shown in Exhibit "B-2" aforesaid; and

2. The Developer declares that such lands and improvements are and shall be held, transferred, sold, leased, conveyed, occupied and used subject to the covenants, restrictions, conditions, easements, charges, liens and provisions set forth in the Declaration, as now or hereafter amended, all of which are hereby incorporated by reference as though fully set forth herein; and

3. Except as expressly modified herein, all other terms and conditions of the Declaration shall remain in full force and effect and in the case of any conflict, the provisions hereof shall be deemed controlling.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be executed on the date first mentioned above.

D.R. HORTON, INC. - NEW JERSEY
a Delaware Corporation

ATTEST:

, President

STATE OF NEW JERSEY)

) SS.:

COUNTY OF)

I am _____, an officer authorized to take acknowledgements and proofs in this State.

On _____, 200_, (the "Witness") appeared before me in person. The Witness was duly sworn by me according to law under oath and stated and proved to my satisfaction that:

1. The Witness is the Secretary of D.R. HORTON, INC. - NEW JERSEY (the "Corporation") which is the Grantor in this Deed.

2. The officer who signed this instrument is the President of the Corporation.

3. The making, signing, sealing and delivery of this instrument have been duly authorized by a proper resolution of the Board of Directors of the Corporation.

4. The Witness knows the corporate seal of the Corporation. The seal was affixed to this instrument by the Corporate Officer. The Corporate Officer signed and delivered this instrument as and for the voluntary act and deed of the Corporation. All this was done in the presence of the Witness who signed this instrument as attesting witness. The Witness signs this proof to attest to the truth of these facts.

Sworn to and Subscribed
before me, on this _____
day of _____ 200_.

_____, Secretary

Notary Public

EXHIBIT 9

**DOWN PAYMENT BOND AND
DEPOSIT ESCROW AGREEMENT FOR
THE VILLAGE GRANDE AT ENGLISH MILL**

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DOWN PAYMENT BOND

BOND # 08714206

KNOW ALL MEN THESE PRESENTS, that we, DR Horton, Inc. - New Jersey (dba SGS Communities) a Delaware corporation authorized to do business in New Jersey, having an office at 20 Gibson Place, Freehold, NJ 07728 as Principal and Fidelity and Deposit Company of Maryland authorized to do business in the State of New Jersey having an office and place of business at 4010 Boy Scout Blvd., Suite 600, Tampa, FL 33607 as Surety, are held and firmly bound unto Title America Agency Corp (Escrow Agent) as Obligee, in the sum of Four Million Dollars and No Cents (\$4,000,000.00) lawful money of the United States for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally firmly by these presents.

WHEREAS, the Principal as seller, has entered into contracts for the construction of homes in the project to be known as The Village Grande at Little Mill, Egg Harbor Township, Atlantic County, New Jersey; and The Grande at Rancocas Creek Townhomes, Delran Township, Burlington County, New Jersey.

WHEREAS, said contracts provide for down payments in the aforesaid amounts.

WHEREAS, said contracts contain various terms and provisions which control the rights, privileges and duties of the Principal with respect to said down payments.

NOW THEREFORE, THE CONDITION OF THIS BOND IS SUCH, that if the Principal shall well and truly carry out and conform to the terms and provisions of said contracts, as and only as such terms and provisions relate to the down payments, then this bond shall be null and void, otherwise to remain in full force and effect.

This bond shall be in full force and effect until the earliest to occur of (a) passage of title to the aforesaid homes to Purchaser, or (b) default of the Purchaser under the contracts and lawful and proper cancellations of the contracts by the Principal pursuant to the terms of the Offering Plan for the sale of the homes.

It is a further condition that in no event shall the Surety be liable in the aggregate for more than the stated penal sum of this Bond.

It is a further condition of this bond that no suit or action shall be brought hereunder by any party other than the Obligee.

Surety may terminate its liability by giving not less than 30 days written notice of its intent to Principal and Obligees. Such termination shall not relieve Surety of any liabilities incurred prior to the effective termination of liability stated in the written notice mailed but shall be final thereafter.

SIGNED, SEALED AND DATED THIS JULY 23, 2003.

Fidelity and Deposit Company
of Maryland

DR Horton, Inc. - New Jersey

BY: 

Kimberly A. Tavernier, Attorney-In-Fact
c/o Willis of Florida
7650 Courtney Campbell Cswy., #920
Tampa, FL 33607/Inquiries: (813) 281-2095

BY: 

Mitchell Newman, Sr. V. Pres.

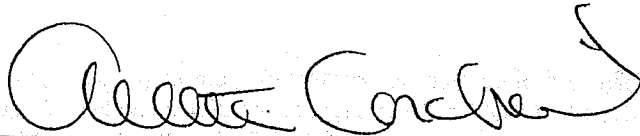
ACKNOWLEDGEMENT BY SURETY

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH } ss.

On this 23rd day of July, 2003 before me, personally came **Kimberly A. Tavernier**, who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within Instrument as Attorney-In-Fact on behalf of **Fidelity and Deposit Company of Maryland**, and acknowledged to me that he/she executed the within instrument on behalf of said surety company and was duly authorized to do.

In witness whereof, I have signed and affixed my official seal on the date in this certificate first above written.

Signature



Anett Cardinale



Anett Cardinale
MY COMMISSION # DD103928 EXPIRES
July 28, 2006
BONDED THRU TROY FAIN INSURANCE, INC.

This area for Official Notarial Seal

ACKNOWLEDGEMENT

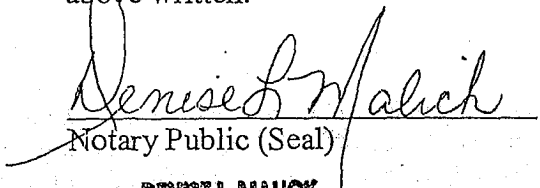
STATE OF NEW JERSEY

SS:

COUNTY OF MONMOUTH

BE IT REMEMBERED that on this 23rd day of July, 2003, before me the subscriber, personally appeared Mitchell Newman, to me known and known to me to be a Senior Vice President of D.R. Horton, Inc. - New Jersey, dba SGS Communities, a Delaware Corporation, described in and who executed the foregoing instrument and he whereupon acknowledged to me that he executed the same as a voluntary act and deed, on behalf of and for the Corporation, for the uses and purposes expressed in said instrument.

In witness whereof, I have signed and sealed this acknowledgement the day and year first above written.


Notary Public (Seal)

DENISE L. MALICK
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 11/18/2003

**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint James W. Dunn, David H. Carr, Kimberly A. Tavernier, Linda J. Meyer and Anett Cardinale, all of Tampa, Florida, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings 1. Consents to Release of Retainage and/or Final Estimates on Construction Contracts required by the Department of Transportation, State of Florida And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of James W. Dunn, David H. Carr, Mirna Ramos, Denise Taylor, Kimberly A. Waller, dated November 13, 2000.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 7th day of January, A.D. 2003.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



T. E. Smith

T. E. Smith

Assistant Secretary

Paul C. Rogers

By:

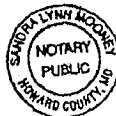
Paul C. Rogers

Vice President

State of Maryland }
City of Baltimore } ss:

On this 7th day of January, A.D. 2003, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Sandra Lynn Mooney

Sandra Lynn Mooney

Notary Public

My Commission Expires: January 1, 2004



THIS IMPORTANT DISCLOSURE NOTICE IS PART OF YOUR BOND

We are making the following informational disclosures in compliance with The Terrorism Risk Insurance Act of 2002. No action is required on your part.

Disclosure of Terrorism Premium

The premium charge for risk of loss resulting from acts of terrorism (as defined in the Act) under this bond is \$ waived. This amount is reflected in the total premium for this bond.

Disclosure of Availability of Coverage for Terrorism Losses

As required by the Terrorism Risk Insurance Act of 2002, we have made available to you coverage for losses resulting from acts of terrorism (as defined in the Act) with terms, amounts, and limitations that do not differ materially as those for losses arising from events other than acts of terrorism.

Disclosure of Federal Share of Insurance Company's Terrorism Losses

The Terrorism Risk Insurance Act of 2002 establishes a mechanism by which the United States government will share in insurance company losses resulting from acts of terrorism (as defined in the Act) after a insurance company has paid losses in excess of an annual aggregate deductible. For 2002, the insurance company deductible is 1% of direct earned premium in the prior year; for 2003, 7% of direct earned premium in the prior year; for 2004, 10% of direct earned premium in the prior year; and for 2005, 15% of direct earned premium in the prior year. The federal share of an insurance company's losses above its deductible is 90%. In the event the United States government participates in losses, the United States government may direct insurance companies to collect a terrorism surcharge from policyholders. The Act does not currently provide for insurance industry or United States government participation in terrorism losses that exceed \$100 billion in any one calendar year.

Definition of Act of Terrorism

The Terrorism Risk Insurance Act defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

But, no act shall be certified by the Secretary as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

These disclosures are informational only and do not modify your bond or affect your rights under the bond.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

CHANGE RIDER NO.2

To be attached to and form part of Bond No. 08714206

Issued to (Principal): DR Horton, Inc. - New Jersey

Type of Bond: Down Payment Bond

dated the 23rd day of July, 2003, and issued by Fidelity and Deposit Company of Maryland in the penal sum of: Four Million and No/100 (\$4,000,000.00) and in favor of (Obligee): Title America Agency Corp

In consideration of the agreed premium charged for this bond, it is understood and agreed that Fidelity and Deposit Company of Maryland consents that effective the 28th day of June, 2004 said bond shall be amended as follows (see the revised Exhibit "A" attached):

(1) Add the following projects to the bond:

- The Village Grande at English Mill, Egg Harbor Township, Atlantic County, New Jersey
- The Village Grande at Camelot, Glassboro Borough and Elk Township, Gloucester County, New Jersey
- The Plaza Grande at Garden State Park, Cherry Hill Township, Camden County, New Jersey

Provided, however that the attached bond shall be subject to all its agreements, limitations and conditions except herein expressly modified, and further that the liability of the Surety under the attached bond and the bond as amended by this rider shall not be cumulative.

Signed, sealed and dated this 28th day of June, 2004.

DR Horton, Inc. - New Jersey

By: 

Mitchell Newman, Sr. V. Pres.

Fidelity and Deposit Company of Maryland

By: 

Kimberly A. Tavernier, Attorney-In-Fact

Exhibit "A"

Bond #08714206

Down Payment Bond

(Revised 06/28/04)

- The Village Grande at Little Mill, Egg Harbor Township, Atlantic County, New Jersey
- The Grande at Rancocas Creek Townhomes, Delran Township, Burlington County, New Jersey
- The Village Grande at Kings Woods, West Deptford Township, Gloucester County, New Jersey
- The Grande at Kings Woods, a Condominium, West Deptford Township, Gloucester County, New Jersey
- The Village Grande at English Mill, Egg Harbor Township, Atlantic County, New Jersey
- The Village Grande at Camelot, Glassboro Borough and Elk Township, Gloucester County, New Jersey
- The Plaza Grande at Garden State Park, Cherry Hill Township, Camden County, New Jersey

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint James W. DUNN, David H. CARR, Kimberly A. TAVERNIER, Linda J. MEYER and Anett CARDINALE, all of Tampa, Florida, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of James W. Dunn, David H. Carr, Kimberly A. Tavernier, Linda J. Meyer, Anett Cardinale, dated February 28, 2003.

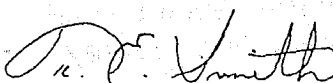
The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

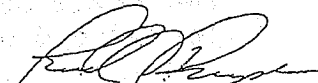
IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 30th day of January, A.D. 2004.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND




T. E. Smith Assistant Secretary

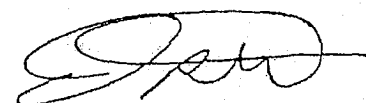

By: Paul C. Rogers Vice President

State of Maryland } ss:
City of Baltimore }

On this 30th day of January, A.D. 2004, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.




Dennis R. Hayden Notary Public
My Commission Expires: February 1, 2005

DEPOSIT ESCROW AGREEMENT

THIS AGREEMENT is made as of the 25th day of July, 2003, by and amongst D.R. Horton, Inc. – New Jersey, a Delaware Corporation (hereinafter referred to as the “Developer”); and Title America Agency Corporation (hereinafter referred to as the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Developer intends to sell the following units (collectively referred to as the “Development”)

1. 301 single family age restricted units in Egg Harbor Township, Atlantic County, New Jersey, known as The Village Grande at Little Mill, being subject to the Declaration of Covenants and Restrictions for The Village Grande at Little Mill; and

2. 187 townhome units in Delran Township, Burlington County New Jersey, known as The Grande at Rancocas Creek Townhomes, being subject to the Master Deed for The Grande at Rancocas Creek Townhomes.

WHEREAS, the Regulations issued pursuant to the Planned Real Estate Development Full Disclosure Act of the State of New Jersey (N.J.S. 45:22A-21, et seq. and N.J.A.C. 5:26-1.1 et seq.), (hereinafter referred to as the “Regulations”) require that all deposits or money paid under a contract or agreement relating to the sale of a Unit in a planned real estate development shall be held in escrow until closing of title to the Unit or termination of the contract or agreement, or until a bond or other guarantee acceptable to the Division of Codes and Standards of the New Jersey Department of Community Affairs is provided;

WHEREAS, the Developer wishes to establish a procedure between itself and the Escrow Agent so as to comply with the aforesaid requirements of the Regulations;

WHEREAS, Fidelity and Deposit Company of Maryland (hereinafter referred to as the "Insurer") has issued a certain Down Payment Bond to in the amount of Four Million (\$4,000,000.00) Dollars, naming the Escrow Agent as beneficiary, a form of which is attached hereto and made a part hereof (hereinafter referred to as the "Bond"); and

WHEREAS, in the sole and absolute discretion of the Developer the amount of the Bond may be increased to Six and one half Million (\$6,500,000.00) Dollars.

NOW, THEREFORE,

A. Title American Agency Dollars agrees to act as Escrow Agent for the Developer pursuant to the requirements of the Regulations, upon the following terms and conditions:

1. The Developer has opened or shall open an escrow account with Community Bank at its office located at Route 9, Freehold, New Jersey 07728, which account may, at the option of the Developer, bear interest (hereinafter referred to as the "Escrow Account");
2. Upon the receipt by the Developer of an executed contract of sale relating to any of the Units in the Development, the Developer shall tender to the Escrow Agent and the Escrow Agent shall deposit in the Escrow Account all payments received by the Developer from the purchaser of any such Unit on account of such contract;
3. The Developer shall advise the Escrow Agent in writing of the Unit to which any such tendered deposits apply and the contract purchaser's name;

4. In the event the Escrow Account now or hereafter bears interest, all interest earned on said escrowed funds shall be payable solely to the Developer;

5. The Developer may withdraw said escrowed funds through the Escrow Agent in conformity with the requirements of the Regulations including approval of the Division of Codes and Standards of release of funds subject to the Bond but in no event before the expiration of the seven (7) day rescission period stipulated in any such contract. The Escrow Agent shall maintain a written account of the amounts so withdrawn and the contract(s) to which any withdrawal applies;

6. The Escrow Agent is entitled to demand payment from the Insurer of the applicable deposit amounts upon any of the following circumstances:

(a) A final and unappealable judgment has been entered against the Developer for an amount due in favor of a contract purchaser of a Unit, which judgment shall be for monies deposited by said purchaser in accordance with a purchase agreement for such Unit;

(b) The Developer has not denied in writing its liability to refund the deposit monies of any contract purchaser, within fifteen (15) business days after the Developer's receipt by certified mail of written notice from the Escrow Agent of a claim of refund;

(c) A written order to pay such sum issued by the Division of Codes and Standards of the Department of Community Affairs; or

(d) The failure of the Escrow Agent to receive a substitute Bond within thirty (30) days prior to the expiration of the Bond or any substitute therefore which may be posted hereunder.

Upon receipt of such funds from the Insurer, the Escrow Agent shall, within ten (10) business days of such receipt, tender such funds to the applicable contract purchaser and provide written confirmation of such tender to the Developer, the Insurer and the Division of Codes and Standards of the Department of Community Affairs.

7. The Developer shall promptly after each closing of a Unit furnish the Escrow Agent with a copy of the closing statement signed by the purchaser which indicates that the deposit has been credited against the purchase price of the unit, whereupon the escrow shall be deemed terminated with respect to the particular deposit.

8. Under no circumstances, however, shall the Insurer be obligated to pay, in the aggregate, an amount in excess of \$4,000,000.00, or up to \$6,500,000.00 in the event the Developer elects to increase the Bond (hereinafter referred to as the "Increased Bond Amount").

B. This Escrow Agreement shall remain in full force and effect until the first to occur of the following: (a) all sums deposited in said Escrow Account and any interest thereon have been paid to the party entitled thereto, or (b) the Escrow Agreement is terminated by any party upon fifteen (15) days written notice delivered to the other parties and the Division of Codes and Standards, Department of Community Affairs provided, however, that notwithstanding such notice it shall continue in full force and effect until a qualified substitute Escrow Agent and/or Insurer has(have) been appointed, has(have) accepted the appointment, and has been approved by the Division of Codes and Standards, Department of Community Affairs.

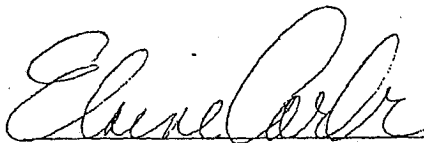
C. Any deposits received by the Developer which when aggregated with all other deposits exceed Four Million (\$4,000,000.00) Dollars or the Increased Bond Amount will remain in the Escrow Account subject to this Escrow Agreement, and shall not be withdrawn by the Developer unless or until an additional Bond covering such excess funds is provided to the Escrow Agent or until title to the respective Units has closed, after which such funds may be withdrawn by the Developer.

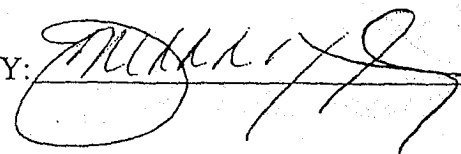
D. The Developer, by execution hereof, indemnifies and agrees to hold the Escrow Agent harmless from any and all claims or causes of action, damages or injuries arising out of or in any way related to the performance of its duties in connection herewith, except for those matters arising out of the Escrow Agent's gross negligence.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

WITNESS:


Title America Agency Corp, Escrow Agent

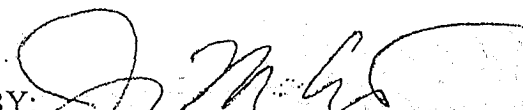


BY:  7/25/03
Date

ATTEST:

D.R. Horton, Inc. - New Jersey


Mitchell Newman, Asst Secretary

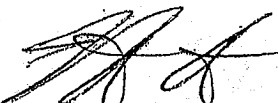
BY:  7/25/03
James M. Corbett, President Date

Deposit Escrow Agreement Rider

Developer and Escrow Agent in connection with the Deposit Escrow Agreement dated July 25, 2003, amended by virtue of Deposit Escrow Agreement Rider dated March 9, 2004, hereby again amend said Deposit Escrow Agreement by virtue of this Rider to add the following communities to the Deposit Escrow Agreement, The Village Grande at English Mill, 397 age restricted single family units in Egg Harbor Township, Atlantic County, New Jersey, The Village Grande at Camelot, 768 age restricted single family units in Glassboro Borough and Elk Township, Gloucester County, New Jersey, and The Plaza Grande at Garden State Park, 608 age restricted condominium units in Cherry Hill Township, Camden County, New Jersey. Said additions are those same changes to the Down Payment Bond #08714206 in the amount of \$4 million, dated July 23, 2003 and issued by Fidelity and Deposit Company of Maryland, as reflected in Change Rider #2 to said Down Payment Bond. The Developer and Escrow Agent have caused this Deposit Escrow Agreement Rider to be signed below confirming their agreement with the above on this 1st day of July, 2004

D.R. Horton, Inc. - New Jersey (Developer)

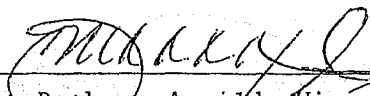
By:



Mitchell Newman, Sr. V. Pres.

Title America Agency Corp. (Escrow Agent)

By:



Ruthann Arnold, Vice President