

No. _____

ACKNOWLEDGMENT OF RECEIPT OF

PUBLIC OFFERING STATEMENT; DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS; BUDGET; and the BY-LAWS OF
GRANTIE RIDGE PLAN HOMEOWNERS ASSOCIATION, INC.

GRANITE RIDGE, A FLEXIBLE PLANNED COMMUNITY

I, _____, hereby acknowledge receipt of a PUBLIC OFFERING
STATEMENT; a DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS;
the BUDGET; and the BY-LAWS OF GRANITE RIDGE HOMEOWNERS ASSOCIATION,
INC. for GRANITE RIDGE, A FLEXIBLE PLANNED COMMUNITY, on the ____ day of
_____, 2006.

WITNESS:

Seller or Agent

Purchaser

Purchaser

Address of Purchaser

GRANITE RIDGE, A FLEXIBLE PLANNED COMMUNITY

Purchaser Should Read This Document
Carefully for His or Her Own Protection

PUBLIC OFFERING STATEMENT

NAME OF PLANNED COMMUNITY: GRANITE RIDGE, A FLEXIBLE PLANNED
COMMUNITY

LOCATION OF COMMUNITY: South Fayette Township
Allegheny County, Pennsylvania

NAME OF DECLARANT: MARONDA HOMES, INC.

ADDRESS OF DECLARANT: Maronda Homes, Inc.
11 Timberglen Drive
Imperial, Pennsylvania 15126

Pennsylvania law requires that the original seller of the planned community units disclose fully and accurately the characteristics of the units being offered for sale. This Public Offering Statement is the means by which such disclosure is to be made and is given in compliance with Section 5402 of the Pennsylvania Uniform Planned Community Act, 68 Pa. Cons. Stat. §5101 et seq.

IMPORTANT NOTICE:

- A. UNDER THE LAW A PURCHASER OF A PLANNED COMMUNITY UNIT IS AFFORDED A FIFTEEN-DAY PERIOD DURING WHICH HE OR SHE MAY CANCEL AN EXECUTED CONTRACT OF SALE WITHOUT PENALTY AND OBTAIN FULL REFUND OF ANY SUMS DEPOSITED IN CONNECTION WITH THE CONTRACT. THE FIFTEEN-DAY PERIOD BEGINS RUNNING ON THE DATE OF DELIVERY OF A PUBLIC OFFERING STATEMENT. IF THE PURCHASER ELECTS TO CANCEL, HE OR SHE MUST DELIVER NOTICE OF CANCELLATION TO THE DECLARANT BY HAND (IN WHICH CASE EVIDENCE OF RECEIPT SHOULD BE OBTAINED) OR BY UNITED STATES MAIL, RETURN RECEIPT REQUESTED.**

- B. IF THE DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT, IN ADDITION TO**

ANY OTHER RELIEF, AN AMOUNT EQUAL TO THE GREATER OF 5% OF THE SALE PRICE OF THE UNIT UP TO \$2,000, OR ACTUAL DAMAGES.

- C. IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN FIFTEEN DAYS BEFORE SIGNING A CONTRACT OF SALE, HE OR SHE CANNOT CANCEL THE CONTRACT.**

INTRODUCTION: The Declarant presents this proposal for unit ownership of certain real estate located in South Fayette Township, Allegheny County, Pennsylvania. The Declarant proposes to construct approximately 155 units (and reserves the right to construct more) of residential structures each containing one or multiple living units with accompanying improvements including utility lines and storm water drainage facilities. The land and structures will constitute a planned community known as Granite Ridge.

As required by law, this Public Offering Statement summarizes the significant features of the formal legal documents required for the creation and operation of the development. It also presents other information of importance to the prospective purchaser. Attached exhibits to this Public Offering Statement include a copy of the recorded Declaration, By-Laws of the Association and samples of an Agreement of Sale and Deed for a unit. There are no contracts or leases or other agreements of a material nature to the Planned Community that will or may be subject to cancellation by the Association under Section 5305 of the Act. Capitalized terms used herein which are not specifically defined shall have the meaning given to such terms in the accompanying Declaration.

THE PLANNED COMMUNITY CONCEPT: The term "planned community" refers to a form of real estate ownership. A planned community is real estate with respect to which a

person, by virtue of ownership of an interest in any portion of the real estate, is or may become obligated by covenant, easement or agreement imposed on the owner's interest to pay an amount for real property taxes, insurance, maintenance, repair, improvement, management, administration or regulation of any part of the real estate other than the portion or interest owned solely by the person. The term excludes a cooperative and a condominium, but a condominium or cooperative may be part of a planned community. Ownership includes holding a leasehold interest of more than twenty years, including renewal options, in real estate.

Real estate which is owned in a planned community contains two distinct types of property, "units" and "common elements". Units are portions of the planned community set aside for individual ownership. In the case of a residential planned community such as Granite Ridge, the units are the separate living quarters which are owned by and may be used only by the unit owner and may include single-family dwellings and townhouses. Common elements include: (i) "common facilities" which are the real estate and improvements within a planned community that benefit all of the units within that planned community generally and which are maintained, improved, repaired, replaced, regulated, managed, insured or controlled by an association of all of the unit owners; and (ii) "controlled facilities" which are the real estate and improvements within a planned community that benefit more than one, but less than all, the units within that planned community and which are maintained, improved, repaired, replaced, regulated, managed, insured or controlled by an association of the unit owners. Examples of common facilities would include any private streets, streetlights, community clubhouse and maintenance costs associated with the upkeep of the open spaces within a planned community while examples of controlled facilities would include the maintenance costs associated with a multi-tenant building, such as the roof and common walkways. All unit owners within a planned community are required to

pay on a pro-rata basis the expenses of the common facilities while expenses for controlled facilities are borne on a pro rata basis by only those unit owners that directly benefit from such controlled facilities.

DESCRIPTION OF DEVELOPMENT: Granite Ridge Planned Community is located on a site containing up to approximately 83.4 acres located near Robinson Road in South Fayette Township. Declarant plans to develop the site in one or more phases. The First Phase will consist of 27 Units of single-family dwellings. The second phase will consist of 30 townhome units. The Third Phase will consist of 28 single-family dwellings. The Fourth Phase will consist of 16 single-family dwellings. The Fifth Phase will consist of 41 single-family dwellings. The Sixth Phase will consist of 13 single-family dwellings.

The Declarant is under no obligation to complete all phases of the Planned Community and development may stop at any stage short of completion and the land may be sold or put to other uses. Declarant has the right to withdraw any or all of the land from the development at any time within the 7 years following the recording of the Declaration.

In no event will the Planned Community exceed the approximately 83.4 acres area unless Additional Real Estate is added pursuant to the terms of the Declaration.

Construction of the buildings in Phase I is projected to be completed by May, 2008. Phase II is projected to begin in May, 2006 and is expected to be completed by May, 2009. Phase III is projected to begin in May 2007 and is expected to be completed by May 2011. Phase IV is projected to begin in May 2008 and is expected to be completed by May 2012. Phase V is projected to begin in May 2009 and is expected to be completed by May 2013. Phase VI is projected to begin in May 2010 and is expected to be completed by May 2014. Because of the

forward looking nature of this statement, the estimated dates for construction and completion of the phases are estimates provided for disclosure purposes only and are not firm dates.

DESCRIPTION OF INDIVIDUAL UNITS: As a general matter, each unit in the Granite Ridge Planned Community ("Unit") will consist of either a Single-Family Unit on a subdivided lot as described in the deed for that lot and structure or a Townhome Unit on a subdivided lot as described in the deed for that lot and structure.

The Units may be conveyed prior to the completion of the entirety of each phase. In subsequent phases, units may be conveyed prior to completion of each phase. Water and sewer service for the Units is public. Water service is provided to the Units by Pennsylvania American Water. Sewer service is provided to the Units by South Fayette Township Municipal Authority. Natural gas is provided to the Units by Columbia Gas. Electricity is provided to the Units by Allegheny Power.

DESCRIPTION OF COMMON ELEMENTS: The Common Elements for the Planned Community are:

(i) the "Common Facilities" may include but are not limited to, the following, any of which may or may not be constructed in the sole discretion of Declarant: storm water detention systems and ponds not dedicated to the public, open space located in the Planned Community, sidewalks on open spaces, public parking areas, entrance monuments, etc. (if constructed) that provide common community services required or desired for the general use and benefit all Unit Owners generally, all as shown on the Plats and Plans now shown or as hereinafter amended; and,

(ii) Townhome Controlled Facilities which include all real estate and improvements within the Planned Community which is part of, or benefits solely, a Townhome

Unit, which is not a Common Facility, but which is maintained, improved, repaired, replaced, regulated, managed, insured and/or controlled by the Association. Townhome Controlled Facilities for the Townhome Units include, but are not limited to: all real estate comprising the Townhome Units, all lawns on the Townhome Units, the roofs, gutters, downspouts, soffit, fascia, siding and masonry.

The Unit Owners will be jointly responsible for repair, maintenance and replacement of the Common Facilities and the Townhome Unit Owners will be jointly responsible for repair, maintenance and replacement of Townhome Controlled Facilities which will be in addition to the costs related to the Common Facilities.

The Declarant shall complete the streets and the installation of utility lines to serve the Units sold to purchasers.

DESCRIPTION OF PLANNED COMMUNITY DOCUMENTS: The official documents creating and providing for the regulation of the Planned Community are the Declaration and the Bylaws. These legal documents will be described briefly here. The complete documents are provided with this Public Offering Statement or are available for examination as described above.

The Declaration is the initial document that creates the Planned Community and sets forth the basic rights and responsibilities of both the Declarant and the Unit owners. The Declaration provides for the creation of the Association, which is the governing body of the community and a Board of Directors which conducts day-to-day business on behalf of the Association. Each Unit Owner is a member of the Association and each Unit has one vote.

Among its powers, the Board of Directors has the authority to adopt such reasonable rules and regulations as may be necessary for the operation of the Association. The Board of Directors

also adopts an annual budget that serves as the basis for determination of the annual assessment for Common Element expenses. If the Association disapproves the proposed budget by majority vote within 30 days of its adoption by the Board of Directors, it cannot become effective.

The Board of Directors consists of seven (7) members. Initially those members will be appointed by the Declarant and the Declarant's rights with respect to the appointment of the Board of Directors are set forth in the Declaration. The purpose of the Declarant's retaining control of the Board of Directors in the early stages of the Planned Community's existence is to assure the stability of the Association and to administer the community's affairs until the new Unit Owners have become familiar with the project. The Declarant also has the right to remove any of its appointees at any time.

The Bylaws provide for increasing control of the Board of Directors by the Unit Owners as Units are sold. The Board of Directors elects as officers a president, a secretary and a treasurer, who will serve as officers of both the Board of Directors and of the Association. The maximum period for which the Declarant shall control the appointment of any member of the Board of Directors is until 75% of the lots are no longer owned by the Declarant. After the period of the Declarant's control of the Board of Directors, all members will be elected by the Unit Owners.

The Association will hold an annual meeting to conduct its business and such special meetings as may be called for by the Board of Directors or the Unit Owners pursuant to the Bylaws. Meetings of the Board of Directors may be more frequent. Units Owners are entitled to receive notice of and to attend these Board of Directors meetings.

Procedures have been established allowing amendment of both the Declaration and the Bylaws. In the case of the Declaration, the covenants and restrictions of the Declaration shall run

with and bind the land for a term of twenty (20) years from the date the Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. The Declarant may amend the Declaration at any time in its sole discretion and without the consent of the Unit Owners as permitted in the Declaration and under the Act, including but not limited to, for the purposes of adding Additional or Convertible Real Estate or withdrawing Withdrawable Real Estate. Upon recordation of such amendment, all lot owners will be given notice of such amendment. Amendments that are not within the Declarant's sole discretion must be made in the following manner: The Declaration may be amended by an instrument signed by not less than three-quarters (3/4) of the Unit Owners. Any amendment must be recorded and, unless otherwise stated in the Amendment, will take effect immediately upon recordation.

Except for those items left to the Declarant's sole discretion, amendment of the Bylaws may be accomplished only upon two-third vote of the members of the Association. Any amendment affecting the Declarant's ability to sell or lease Units it owns will require the written approval of the Declarant.

SUMMARY OF FINANCIAL MATTERS: As indicated above, Unit Owners will be assessed to obtain the funds necessary to meet the budget of the Association and, if necessary, to establish a reserve fund for anticipated expenses. The assessment will be made annually, but payment of the assessments will be on a monthly basis (Declarant shall be exempt from all assessments).

Common Facility Assessment. The amount assessed against each and every Unit for Common Facility Expenses will be based on its corresponding share. Such corresponding share is determined, by dividing (a) the total amount of the estimated funds required for the operation

of the Common facilities (other than Occupancy Expenses) set forth in the budget adopted by the Board of Directors for the fiscal year in question, after deducting income expected to be received from sources other than Common Facility Expenses and Occupancy Expenses assessments chargeable to all Unit Owners, by (b) the number of Units owned by Unit Owners in the Planned Community, and further dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit as provided in the Act and the Declaration. Such initial Assessment shall be set at Ten dollars (\$10.00) per month for each Unit Owner either of a single family dwelling or townhome unit, subject to change as required by the Association. (Townhome units will also be assessed for the Townhome Controlled Facility Assessment.) No Unit shall be subject to an assessment for a Common Facility Expense for a particular Common Facility until the responsibility for the maintenance and repair of that Common Facility is transferred from the Declarant to the Association. Additionally, no Controlled Facility Assessment shall be assessed on any Unit unless and until a dwelling designed for either single or multiple family residential purposes has been fully erected to completion thereon.

Townhome Controlled Facility Assessment. The Board of Directors shall calculate the monthly assessments for Townhome Controlled Facility Expenses applicable only to Townhome Units against each Townhome Unit by dividing (a) the total amount of the estimated funds required for the operation of the Townhome Controlled Facilities set forth in the budget adopted by the Board of Directors for the fiscal year in question, after deducting income expected to be received from sources other than Townhome Controlled Facility Expense assessments, by (b) the number of Townhome Units owned by Townhome Owners, and further dividing the resultant

product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Townhome Unit as provided in the Act and the Declaration. Such initial Assessment shall be set at Fifty dollars (\$50.00) per month for each Townhome Unit Owner, subject to change as required by the Association.

Budget. A budget will be prepared from time to time as required and when prepared will cover all anticipated Common Element expenses for the upcoming fiscal year. The budget will also include whatever amount the Board of Directors considers necessary as an adequate reserve to provide for unforeseen contingencies, working capital and repair or replacement of Common Elements. Attached hereto as an Exhibit is the projected budget. Such budget was prepared by Declarant.

Balance Sheet. Attached hereto is a copy of the Association's Balance Sheets. The repair and upkeep of all Common Elements is a common expense for which the Association is responsible. Except for Townhome Unit Controlled Facilities Controlled Facilities maintenance of the Unit is the responsibility of the Unit Owner.

All amounts properly assessed against a Unit by the Association give rise to a lien on that Unit. The Unit Owner cannot dispose of the Unit free of this lien until he or she pays the underlying assessments secured by the lien. The Association may obtain payment of past due assessments by foreclosure of the lien, resulting in a forced sale of the Unit, or by suing the Unit Owner. If an assessment is payable in installments, the full amount of the assessment becomes effective as a lien from the time the first installment becomes due. Any past due installments will bear interest at the maximum legal rate (but not more than fifteen percent (15%) per annum).

The provisions outlined above are designed to ensure and enhance the well-being of the community. To secure continued enjoyment of the Common Elements for all Unit Owners, the Association must have the ability to collect the funds necessary to properly maintain the Common Elements.

Fee Due at Closing. Purchasers will be required to pay an initial reserve fee of Two Hundred and 00/100 (\$200.00) for Common Elements at closing.

Deposits. Deposits, if any, made in connection with the purchase or reservation of a Unit at the time a Sales Agreement for a Unit is signed ("Purchase Deposits"), will be held in a non-interest bearing escrow account in accordance with Pennsylvania law. Any such Purchase Deposits will be returned to the purchaser if he cancels the Agreement of Sale within 15 days as specified in the Act. At this time the Declarant does not anticipate that any Purchase Deposit will be required from the purchaser of a Unit. Declarant may in connection with a purchase or reservation of a Unit collect from Purchaser an advance for options, extras, changes or custom work; this paragraph does not include deposits or payments made in payment of or on account of options, extras, changes or custom work, which may be collected by Declarant but are not required to be placed in escrow.

Fees or Charges For Use of Common Facilities. The funding of all Common Facilities shall be through the Common Facility Assessment. Other than that assessment, the Association documents anticipate no current or expected fee to be paid by Unit Owners for maintenance of any of the Common Elements of the Planned Community.

Fees or Charges For Use of Controlled Facilities. The funding of all Controlled Facilities shall be through the Townhome Controlled Facility Assessment. Other than those assessments,

the Association documents anticipate no current or expected fee to be paid by Unit Owners for maintenance of any of the Controlled Facilities of the Planned Community.

INSURANCE: The Association will purchase liability insurance for the Common Elements. Each Unit owner will be responsible for their own insurance covering their Units and maintain liability insurance in a sufficient amount to insure the other Units in its cluster, if applicable.

WARRANTIES: Unit Owners receive a statutory 2 year warranty covering any structural defects (a structural defect is actual physical damage to the following designated load bearing portions of the home caused by failure of such load bearing portions which effect their load bearing function to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: (1) foundation systems and footers; (2) load bearing beams; (3) load bearing walls; and (4) roof trusses) in their Unit subject to the following exceptions:

1. Defects in appliances and equipment covered by manufacturers', subcontractors', or firms' warranties.
2. Damage or chipping to appliances, light fixtures or electrical fixtures brought to the attention of Maronda Homes.
3. Concrete, including flaking and discoloration.
4. Masonry, including discoloration or non-uniformity in hardness and porosity of bricks.
5. Cracks in brick, mortar, sheet rock and caulking materials, including cracks from foundation movements due to expansion and contraction of soil and/or drainage conditions.

6. Settlement, expansion, contraction and warping of materials, including grout between ceramic tiles, lumber and millwork.
7. Paint, wood grains and stain finishes, including variations in color.
8. Asphalt driveways, including pitting or deterioration due to homeowner neglect or abuse, and vegetation growing into or through driveways.
9. Damage from condensation (which takes place in a home whenever warm, moist air comes into contact with colder surfaces such as windows, basement walls, exposed pipes or attic areas).
10. Window screens.
11. Damage caused or made worse by:
 - Negligence or improper maintenance or operation by anyone other than Maronda Homes, its employees, agents and subcontractors,
 - Failure of anyone other than Maronda Homes or its employees, agents, or subcontractors to complete warranty requirements of manufacturers of appliances, equipment or fixtures,
 - Changes to the grading of the ground by anyone other than Maronda Homes, its employees, agents or subcontractors,
 - Material or work supplied by anyone other than Maronda Homes, its employees, agents or subcontractors,
 - Normal wear and tear or normal deterioration.
12. Loss or damage resulting from accidents or acts of God including but not limited to: fire, explosion, smoke, changes in the level of the underground water table, glass breakage, wind, hail, lightning, falling trees, aircraft, vehicles, floods, earthquakes, theft and vandalism.

13. Damage resulting from undisclosed subsoil conditions, lawns, landscaping and defects caused by the failure to provide normal maintenance of the home.
14. Non-residential use. Damage which arises while the home is being used primarily for non-residential use.
15. Personal expenses or personal property that is damaged or destroyed.

Except for these warranties, the Unit and the Common Elements are offered in an "as is" condition.

RESTRICTIONS ON USE/ALIENATION: The Units and declared Common Elements of the Planned Community are restricted to residential use only and associated utilities and recreational activities, except that the Declarant has reserved the right to conduct marketing activities for unsold units including the creation of a model unit to be shown to prospective purchasers.

The Planned Community is also subject to a number of easements reserved by the Association and the Declarant and described more fully in the Declaration. Generally, these easements include such things as easements for utilities, easements to facilitate repair of the Common Elements, easements for access to common areas and easements for support.

The Planned Community may in the future be subject to liens given as security for construction loans. The Declarant is required by law to release liens affecting the title of any Unit prior to conveyance of that Unit. The Units will be conveyed free of any liens other than those placed on the Unit by the purchaser.

There are no restrictions on alienation of the property of a Unit Owner.

The Planned Community is subject to statutory easement, including:

(i) The easement provided by Section 5216 of the Act, which provides that the Unit or Common Element is subject to a valid easement to the extent that any other Unit or Common Element encroaches upon it;

(ii) The provisions of Section 5217 of the Act, which provide that Declarant may maintain sales offices, management offices and models in portions of the Planned Community; and

(iii) An easement (provided for in Section 5218 of the Act) permitting the Declarant to use the Common Elements as may be reasonably necessary in order to facilitate the completion of the Planned Community or the exercise of any Special Declarant Rights.

DESCRIPTION OF FINANCING: Each purchaser may obtain his or her own financing or Maronda Homes, Inc. will assist purchasers in obtaining financing.

JUDGMENTS, PENDING LITIGATION: As of the effective date of this Public Offering Statement, the Declarant knows of no judgments or litigation pending or threatened which affects the Planned Community, the Common Elements or the Declarant's ability to convey clear title to the Units.

GENERAL INFORMATION: Any information about Granite Ridge, not presented in this Public Offering Statement or contained in the exhibits must not be relied upon. No person has been authorized by the Declarant to make any representation not expressly contained herein. This presentation may not be changed or modified orally.

The Declarant reserves the right to change the terms of this Public Offering Statement as they affect potential purchasers not then under contract. Any such change, however, shall not affect the substance of the Public Offering Statement with respect to prior purchasers or purchasers under contract.

PROPERTY REPORT: Declarant certifies that the useful life and estimated cost of replacing (in current dollars) the structural components of the Common Elements are as follows:

Item:	Useful life:	Cost of Replacement
Storm Water Retention Ponds (2)	50 years	\$30,000.00
Entrance Monument	20 years	\$5,000.00
Sidewalks (In Open Space) and Public Parking Areas	30 years	\$20,000.00

Since all of the homes to be constructed and improvements to be installed in the Planned Community will be new, all structural components and major utility installations will be new.

The expected useful life of each structural component and major utility installation in the Planned Community, together with the estimated cost (in current dollars) of replacing each of the same, are estimated in the following schedule (the information provided below is only a good faith current estimate of the Declarant based on its familiarity with the construction of the homes and other improvements in the Planned Community and is not a warranty or representation of any kind):

Estimated Replacement Cost (in current dollars) (per home) (based on the model home to be constructed by the Declarant)

Item:	Useful life:	Cost of Replacement
Roof System (per unit)	<u>25 years</u>	<u>\$2,000.00</u>
Water line (per unit)	<u>30 years</u>	<u>\$5,000.00</u>
Exterior (per unit)	<u>30 years</u>	<u>\$5,000.00</u>

(The foregoing useful life estimates assume ongoing full and proper maintenance and repair and no misuse or casualty.)

VOTING: Each Unit shall have one vote in the Association and all such votes shall be counted equally.

MASTER ASSOCIATION: Declarant is not aware of any existing circumstances under which the Association is to become a Master Association or part of a Master Association.

GOVERNMENTAL APPROVALS AND PERMITS: Below is set forth a list of all governmental approvals and permits required for the use and occupancy of the Planned Community including for each the name and expiration year of such approval or permit that has been obtained. Final approval of Granite Ridge Plan No.1 has been provided as recorded on October 16, 2003 (PBV 243 Page 187). Final approval of Granite Ridge Plan No. 2 has been provided as recorded on June 22, 2005 (PBV 250 Page 90). Final approval of Granite Ridge Plan No. 3 has been provided as recorded on October 28, 2005 (PBV 252 Page 49). Final approval of Granite Ridge Plan No. 4 has been provided as recorded on October 28, 2005 (PBV 252 Page 47). Final approval of Granite Ridge Plan No. 5 has been provided as recorded on February 14, 2006 (PBV 253 Page 45). Final approval of Granite Ridge Plan No. 6 has been provided as recorded on February 14, 2006 (PBV 253 Page 44). All permits or approvals necessary for the use and occupancy of the Planned Community have been obtained with the exception of those

approvals necessary in connection with the construction of each particular Unit which approvals will be obtained by the Declarant as dictated by the requirements of applicable law and regulation.

FACILITIES AND AMENITIES: Declarant does not anticipate that the planned community will have any additional facilities and amenities already not disclosed.

NOTICES OF VIOLATIONS OF GOVERNMENTAL REQUIREMENTS: There are no outstanding and uncured notices of violations of governmental requirements to the best of Declarant's current knowledge.

HAZARDOUS CONDITIONS: After investigation, Declarant has no knowledge of any of the following:

(i) Any hazardous waste conditions including contamination affecting the Planned Community Site by hazardous substances, hazardous waste or the like or the existence of underground storage tanks for petroleum products or other hazardous substances.

(ii) Any finding or action recommended to be taken by any governmental body, agency or authority in order to correct any hazardous conditions.

Section 3402(a)(27) of the Act requires the Declarant to provide you with the addresses and telephone numbers set forth below of the Pennsylvania Department of Environmental Resources and the United States Environmental Protection Agency where you may obtain information about the environmental conditions of the Property.

Pennsylvania Department of Environmental Resources
Southwest Region
400 Waterfront Drive
Pittsburgh, PA
(412) 442-4400

United States Environmental Protection Agency
Region III
841 Chestnut Building
Philadelphia, PA 19107
578-8030 or (304) 234-0234

MODIFICATIONS. This Offering Statement is subject to change without notice in order to reflect any material changes in the information set forth herein or as otherwise required by the Act. The Declarant will mail copies of all such amendments to any persons who are parties to valid and binding Sale Agreements respecting any Unit or Units.

ANY INFORMATION OR DATA REGARDING THE PLANNED COMMUNITY NOT INCLUDED IN THIS PUBLIC OFFERING STATEMENT MUST NOT BE RELIED UPON. NO PERSON HAS BEEN AUTHORIZED BY THE DECLARANT TO MAKE ANY STATEMENT, REPRESENTATION OR WARRANTY NOT EXPRESSLY CONTAINED HEREIN. THIS OFFERING STATEMENT MAY NOT BE CHANGED OR MODIFIED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY THE DECLARANT.

EXHIBIT

GRANITE RIDGE COMMUNITY ASSOCIATION
 PROFORMA OPERATING BUDGET - COMMON AREA

28-Feb-06
 RAA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
WEIGHTED AVERAGE NUMBER OF UNITS	40	80	120	155
REVENUE				
MAINTENANCE FEES (A)	4,800	9,200	13,000	15,900
TOTAL REVENUE	4,800	9,200	13,000	15,900
EXPENSE				
STORM WATER MGMT. (B)	0	900	1,200	1,500
ENTRANCE/OPEN SPACE/PARKING (C)	1,000	1,500	2,000	2,000
UTILITIES (D)	400	500	600	700
MANAGEMENT FEE (E)	2,000	3,900	5,800	7,500
INSURANCE (F)	1,200	2,000	2,800	3,400
ADMINISTRATIVE (G)	200	400	600	800
TOTAL EXPENSE	4,800	9,200	13,000	15,900
NET INCOME	0	0	0	0
RESERVE FUNDING	0	480	1,440	2,790

GRANITE RIDGE COMMUNITY ASSOCIATION
PROFORMA RESERVE BUDGET - COMMON AREA28-Feb-06
RAA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
SOURCES:				
RESERVE FUNDING (A)	0	480	1,440	2,790
CAPITAL RESERVE INITIATION PAYMENTS (H)	8,000	8,000	8,000	7,000
INTEREST INCOME	0	240	499	793
TOTAL SOURCES	8,000	8,720	9,939	10,583
USES:				
INCOME TAXES	0	72	150	238
TOTAL USES	0	72	150	238
NET CASHFLOW:	8,000	8,648	9,790	10,345
RESERVE SUMMARY				
PROJECTED BEGINNING RESERVE BALANCE	0	8,000	16,648	26,438
PROFIT TRANSFER	0	0	0	0
NET CASHFLOW	8,000	8,648	9,790	10,345
PROJECTED ENDING RESERVE BALANCE	8,000	16,648	26,438	36,783

02/28/2006

RAA

GRANITE RIDGE COMMUNITY ASSOCIATION
OPERATING BUDGET NOTES
COMMON AREA

(A) SEE THE FOLLOWING FOR THE ANNUAL ASSESSMENT:

	MAINTENANCE FEE PER UNIT PER MONTH	MAINTENANCE FEE PER UNIT PER YEAR	RESERVE FUNDING PER UNIT PER MONTH	RESERVE FUNDING PER UNIT PER YEAR	TOTAL ASSESSMENT PER UNIT PER MONTH	TOTAL ASSESSMENT PER UNIT PER YEAR
YEAR 1 - SFH AND T/H	10.00	120.00	0.00	0.00	10.00	120.00
YEAR 2 - SFH AND T/H	9.50	114.00	0.50	6.00	10.00	120.00
YEAR 3 - SFH AND T/H	9.00	108.00	1.00	12.00	10.00	120.00
YEAR 4 - SFH AND T/H	8.50	2.00	1.50	18.00	10.00	120.00

(B) STORM WATER MGMT. THIS CATEGORY INCLUDES THE COSTS TO MAINTAIN THE DETENTION PONDS, INCLUDING GRASS CUTTING, LITTER/DEBRIS COLLECTION, AND AN ANNUAL INSPECTION.

(C) ENTRANCE/OPEN SPACE/SIDEWALKS/PARKING. THIS CATEGORY INCLUDES THE COSTS TO MAINTAIN THE ENTRANCE MONUMENT, THE AREA AROUND THE MONUMENT, THE COMMON SIDEWALKS, THE OPEN SPACE AND THE COMMUNITY PARKING. EXPENSES INCLUDE LANDSCAPING, SNOW REMOVAL AND GENERAL MAINTENANCE.

(D) UTILITIES. THIS AMOUNT INCLUDES CHARGES FOR ELECTRICITY TO ILLUMINATE THE ENTRANCE MONUMENT.

(E) MANAGEMENT FEES. THIS AMOUNT INCLUDES CHARGES FOR MANAGEMENT SERVICES. THE CHARGE IS \$4.00 PER UNIT PER MONTH.

(F) INSURANCE. THIS AMOUNT INCLUDES CHARGES FOR INSURANCE OF THE COMMON PROPERTY. DIRECTORS AND OFFICERS LIABILITY INSURANCE AND GENERAL LIABILITY INSURANCE ARE ALSO INCLUDED.

(G) ADMINISTRATIVE. THIS AMOUNT INCLUDES CHARGES FOR ADMINISTRATIVE EXPENSES OF THE ASSOCIATION INCLUDING COPYING, POSTAGE, AND BANK CHARGES.

(H) CAPITAL RESERVE INITIATION PAYMENT. EACH INITIAL OWNER IS TO CONTRIBUTE \$200 TO THE RESERVE AT CLOSING.

GRANITE RIDGE COMMUNITY ASSOCIATION
PROFORMA OPERATING BUDGET - TOWNHOME28-Feb-06
RAA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
WEIGHTED AVERAGE NUMBER OF UNITS	10	20	30	30
REVENUE				
MAINTENANCE FEES (I)	6,000	11,400	17,100	17,100
TOTAL REVENUE	6,000	11,400	17,100	17,100
EXPENSE				
LAND CARE (J)	4,000	6,800	9,500	9,500
ROOF SYSTEM (K)	0	700	1,400	1,400
EXTERIOR (L)	0	700	1,400	1,400
OTHER MAINT. (M)	500	600	1,200	1,200
MANAGEMENT FEE (N)	1,000	2,000	2,900	2,900
ADMINISTRATIVE (O)	500	600	700	700
TOTAL EXPENSE	6,000	11,400	17,100	17,100
NET INCOME	0	0	0	0
RESERVE FUNDING	0	600	900	900

GRANITE RIDGE COMMUNITY ASSOCIATION
PROPORMA RESERVE BUDGET - TOWNHOME28-Feb-06
RAA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
SOURCES:				
RESERVE FUNDING (I)	0	600	900	900
INTEREST INCOME	0	0	18	45
TOTAL SOURCES	0	600	918	945
USES:				
INCOME TAXES	0	0	5	14
TOTAL USES	0	0	5	14
NET CASHFLOW:	0	600	913	932

RESERVE SUMMARY

PROJECTED BEGINNING RESERVE BALANCE	0	0	600	1,513
PROFIT TRANSFER	0	0	0	0
NET CASHFLOW	0	600	913	932
PROJECTED ENDING RESERVE BALANCE	0	600	1,513	2,444

02/28/2006

FAA

GRANITE RIDGE COMMUNITY ASSOCIATION
OPERATING BUDGET NOTES
TOWNHOME

(I) SEE THE FOLLOWING FOR THE ANNUAL ASSESSMENT:

	MAINTENANCE FEE PER UNIT PER MONTH	MAINTENANCE FEE PER UNIT PER YEAR	RESERVE FUNDING PER UNIT PER MONTH	RESERVE FUNDING PER UNIT PER YEAR	TOTAL ASSESSMENT PER UNIT PER MONTH	TOTAL ASSESSMENT PER UNIT PER YEAR
YEAR 1	50.00	600.00	0.00	0.00	50.00	600.00
YEAR 2	47.50	570.00	2.50	30.00	50.00	600.00
YEAR 3	47.50	570.00	2.50	30.00	50.00	600.00
YEAR 4	47.50	570.00	2.50	30.00	50.00	600.00

(J) LAND CARE. LAND CARE ENCOMPASSES THE FOLLOWING SERVICES TO THE TOWNHOME AREAS.

RE-EDGE BEDS	SPRING CLEAN-UP
RAKING OF BEDS	LAWN FERTILIZATION, SEEDING
WEEDING OF BEDS	MOWING, TRIMMING
TREE/SHRUB REMOVAL/REPLACEMENT	FALL CLEAN-UP
TREE/SHRUB TRIMMING	MULCHING

(K) ROOF SYSTEM. THIS AMOUNT INCLUDES CHARGES FOR REPAIRS AND MAINTENANCE TO THE ROOF SYSTEM. THE ROOF SYSTEM INCLUDES THE ROOF, GUTTERS, AND DOWNSPOUTS.

(L) EXTERIOR. THIS AMOUNT INCLUDES CHARGES FOR REPAIRS AND MAINTENANCE TO THE EXTERIORS OF THE TOWNHOMES. THE EXTERIOR INCLUDES THE SOFFIT, FASCIA, SIDING, AND MASONRY.

(M) OTHER MAINT. THIS CATEGORY INCLUDES ANY MISCELLANEOUS TOWNHOME MAINTENANCE EXPENSES.

(N) MANAGEMENT FEES. THIS AMOUNT INCLUDES CHARGES FOR MANAGEMENT SERVICES. THE CHARGE IS \$9.00 PER UNIT PER MONTH.

(O) ADMINISTRATIVE. THIS AMOUNT INCLUDES CHARGES FOR ADMINISTRATIVE EXPENSES OF THE ASSOCIATION INCLUDING COPYING, POSTAGE, AND BANK CHARGES.

GRANITE RIDGE COMMUNITY ASSOCIATION
COMPONENT USEFUL LIFE ANALYSIS

28-Feb-06
RAA

ITEM DESCRIPTION	USEFUL LIFE (YEARS)	CURRENT REPLACEMENT COST
1) STORM WATER DETENTION PONDS (2)	50	30,000
2) ENTRANCE MONUMENT	20	5,000
3) SIDEWALKS AND COMMUNITY PARKING	30	20,000
4) ROOF SYSTEM (PER HOME)	25	2,000
5) EXTERIOR (PER HOME)	30	5,000

GRANITE RIDGE COMMUNITY ASSOCIATION
COMPONENT USEFUL LIFE ANALYSIS

28-Feb-05
RAA

ITEM DESCRIPTION	USEFUL LIFE (YEARS)	FUTURE REPLACEMENT COST
1) STORM WATER DETENTION PONDS (2)	50	60,000
2) ENTRANCE MONUMENT	20	9,000
3) SIDEWALKS AND COMMUNITY PARKING	30	40,000
4) ROOF SYSTEM (PER HOME)	25	4,000
5) EXTERIOR (PER HOME)	30	9,000