

PUBLIC OFFERING STATEMENT
2nd Edition, May 2007
ARBORS AT SPRING VALLEY CONDOMINIUM

ANY PERSON WHO IS CONSIDERING PURCHASING A CONDOMINIUM UNIT IN ARBORS AT SPRING VALLEY SHOULD READ THIS DOCUMENT CAREFULLY BEFORE SIGNING AN AGREEMENT OF SALE.

WITHIN 15 DAYS AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT (OR AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT MATERIALLY AND ADVERSELY AFFECTS THE RIGHTS OR OBLIGATIONS OF THE PURCHASER) A PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT FROM AND MILLFIELD CONSTRUCTION CO. (DECLARANT)”

IF A DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT (AND ANY AMENDMENTS THERETO) TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER DAMAGES FROM THE DECLARANT AS PROVIDED IN SECTION 3406(c) OF THE UNIFORM CONDOMINIUM ACT (RELATING TO PURCHASER'S RIGHT TO CANCEL AND A DESCRIPTION OF SUCH DAMAGES).

IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN 15 DAYS BEFORE SIGNING A CONTRACT, HE CANNOT CANCEL THE CONTRACT. EXCEPT, HOWEVER, THAT A PURCHASER SHALL HAVE THE RIGHT TO CANCEL THE CONTRACT BEFORE CONVEYANCE WITHIN 15 DAYS AFTER RECEIPT OF ANY AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT WOULD HAVE A MATERIAL AND ADVERSE EFFECT ON THE RIGHTS OR OBLIGATIONS OF THAT PURCHASER.

NAME OF CONDOMINIUM: ARBORS AT SPRING VALLEY
CONDOMINIUM

NAME OF DECLARANT: MILLFIELD CONSTRUCTION CO.

ADDRESS OF DECLARANT: 2130 Marietta Avenue
Lancaster, PA 17603

THIS PUBLIC OFFERING STATEMENT HAS BEEN PREPARED TO DISCLOSE AND SUMMARIZE INFORMATION PERTINENT TO THE PURCHASE OF A CONDOMINIUM UNIT IN ARBORS AT SPRING VALLEY . ALL PERSONS CONSIDERING PURCHASING A CONDOMINIUM UNIT IN ARBORS AT SPRING VALLEY , HOWEVER, ARE ADVISED THAT THIS PUBLIC OFFERING STATEMENT MERELY SUMMARIZES IMPORTANT INFORMATION CONCERNING THE CONDOMINIUM. ANY PROSPECTIVE PURCHASER SHOULD REFER TO AND READ ALL EXHIBITS TO THIS PUBLIC OFFERING STATEMENT, INCLUDING, BUT NOT LIMITED TO, THE DECLARATION OF CONDOMINIUM AND THE BYLAWS OF ARBORS ASSOCIATION, INC.

There are many important Exhibits attached to this Public Offering Statement, all of which are required to be given to prospective purchasers by the Uniform Condominium Act ("Act"). These Exhibits are:

- EXHIBIT A - Declaration of Condominium
- EXHIBIT B - Bylaws of Arbors Association, Inc.
- EXHIBIT C - Arbors Association, Inc. Rules and Regulations
- EXHIBIT D - Pro-Forma Budget of Arbors Association, Inc.

IT IS IMPORTANT FOR YOU TO REMEMBER THAT NO PERSON OR SALES AGENT OR ANY OTHER REPRESENTATIVE OF MILLFIELD CONSTRUCTION CO., AND/OR ARBORS ASSOCIATION, INC. MAY ORALLY MODIFY THE TERMS AND CONDITIONS OF THE CONDOMINIUM DOCUMENTS OR INTERPRET THEIR LEGAL EFFECT. ALL CAPITALIZED TERMS WHICH ARE NOT DEFINED IN THE PUBLIC OFFERING STATEMENT SHALL HAVE THE MEANING SET FORTH IN THE ACT, THE DECLARATION OF CONDOMINIUM, OR IN THE BYLAWS, ALL OF WHICH ARE REFERRED TO ABOVE. IF YOU HAVE ANY QUESTIONS CONCERNING ANY OF THESE DOCUMENTS, YOU SHOULD CONSULT YOUR ATTORNEY.

The Condominium Concept

1. The term "condominium" refers to a form of property ownership. Property, which is owned as a condominium contains two distinct types of property ? Units and Common Elements. Units are portions of a condominium, which are set aside for individual ownership. In the case of a residential condominium such as Arbors at Spring Valley, the Units are the separate living quarters, which may be used only by the Unit Owner or his tenants. Common Elements, on the other hand, are all portions of the condominium, which are not included within the Units. The Common Elements constitute the land and those portions of the structures, which support, enclose or service the Units.

IT IS IMPORTANT THAT YOU UNDERSTAND THAT THE DECLARATION OF CONDOMINIUM AUTHORIZES THE ASSOCIATION TO LEVY AND COLLECT A MONTHLY CONDOMINIUM FEE. THIS FEE IS PAYABLE MONTHLY AND, IF YOU DO NOT MAKE THE PAYMENTS, THE CONDOMINIUM FEE BECOMES A LIEN AGAINST YOUR PROPERTY, WHICH CAN BE FORECLOSED UPON JUST LIKE A MORTGAGE.

A residential condominium Unit Owner is at the same time both the sole owner of the portion of a building which encloses his living quarters ("Unit") and one of many mutual owners (know in the law as "tenants in common") of (i) common facilities which specifically serve his Unit and other Units and (ii) common areas which a Unit Owner may use and enjoy along with owners of other Units.

The "Common Elements" of the Condominium are all portions of the Property which are not included within the Units. In the case of Arbors at Spring Valley Condominium, the Common Elements include (but are not limited to) all exterior walls, roofs and structural elements of the buildings, all common utility systems, and the land surrounding the buildings (including parking areas).

Each individual Unit Owner owns along with his Unit, a specified undivided interest in the Common Elements (the "Percentage Interest") expressed in the form of a percentage. This means that all Unit Owners share in the ownership of all Common Elements. The ownership of this Percentage Interest gives each Unit Owner the right, subject to the terms of the Act, the Declaration and the Bylaws, to use and participate in the control of the Common Elements in common with the other Unit Owners through membership in the Association and also imposes upon each Unit Owner the obligation to pay a portion of the expenses of operating and maintaining the Common Elements. The amounts of these Common Expenses are determined in annual budgets established by the Association s'executive board (Executive Board):" The monthly assessment for the owner of an end Unit is 10% higher than the assessment for the owner of an interior Unit.

IT IS IMPORTANT THAT YOU UNDERSTAND THAT IN ADDITION TO ANY MORTGAGE PAYMENT, WHICH YOU MIGHT HAVE, YOU WILL BE REQUIRED TO PAY A MONTHLY CONDOMINIUM FEE. THIS FEE IS DETERMINED BY THE EXECUTIVE BOARD OF THE ASSOCIATION AND IS LEVIED ANNUALLY ON A MONTHLY BASIS.

It is this coupling of exclusive ownership of a Unit with the shared ownership of the Common Elements which distinguishes condominium ownership from other forms of property ownership.

Certain Common Elements are designated as Limited Common Elements. "A Limited Common Element is a portion of the Common Elements assigned to a particular Unit (for example, a deck or patio). The Unit Owner of the Unit to which a Limited Common Element is assigned has an exclusive right to use the Limited Common Element.

The Declarant

2. The Declarant is MILLFIELD CONSTRUCTION CO., a Pennsylvania corporation. The land on which the Condominium is constructed (the Land) is owned by First Neighborhood LLC, a Pennsylvania limited liability company. First Neighborhood LLC is not a declarant or principal in any of the Condominium Documents, will not participate in the development of the Condominium or construction of the units and has no obligation to purchasers of units under any of the warranties discussion in Section 10, below.

General Description of the Condominium

3. Arbors at Spring Valley Condominium is located in East Hempfield Township, Lancaster County, Pennsylvania. The Units of the Condominium will be a combination of detached dwellings and what are commonly referred to as "townhouses." Some of the Units will be one story and some Units will be multi-storied. All of the Units will have garages. Before the sale of each Unit to the general public, that Unit will be completely finished by the Declarant as evidenced by a Certificate of Substantial Completion to be supplied to each Unit purchaser at the time of closing. All Common Elements will be completely finished by the Declarant although there may be some delay in surfacing of roadways and final landscaping due to weather conditions.

If fully developed in accordance with the Declarant's present plans, Arbors at Spring Valley will consist of 35 Units. The Declarant intends to develop the condominium in phases (this is what is known as a "Flexible Condominium" under the Act). Phase I will consist of the construction of Five (5) Units. After the completion of the first five Units, additional Buildings containing Units and Common Elements may be constructed on the land described in the Declaration as the "Convertible Real Estate." A maximum of 30 additional Units may be constructed on the Convertible Real Estate. The number of Buildings and type and mix of Units within Buildings constructed on the Convertible Real Estate will be determined by the Declarant. As Buildings containing Units located on the Convertible Real Estate are completed, they and the land on which they are located will be added to the Condominium. In no event will the Arbors at Spring Valley Condominium contain more than a total of thirty-five (35) Units.

The Common Elements of the Condominium will contain, among other things, private streets leading to the individual buildings, as well as outdoor parking spaces, storm water

management systems and water and sewer lines. The Condominium currently intends to provide parking for approximately two vehicles per Unit. Enclosed garages will be a part of each Unit and, as such, will be owned by each Unit Owner.

The Percentage Interest allocated to each Unit is equal to the ratio of such Unit to the total number of all Units and is set forth in Exhibit C to the Declaration. Currently the percentage interest for each Unit is 20.00%.

It is not anticipated that blocks of Units will be sold to investors who do not intend to use the Units as their principal residence. However, it is anticipated that a number of Units will be purchased by investors to be leased to residents who will not be the owners of the Units. The Declaration of Condominium states that at no time shall more than 30% of all Units be investor-owned Units.

The Condominium Documents

4. The Condominium Documents consist of the Declaration, the Condominium Declaration Plan, the Bylaws, and the Association's Rules and Regulations. The Declaration is the formal, legal document which creates the Condominium. It establishes and expresses the existence of the Condominium, records the Plats and the Plans showing all Units, defines certain terms, and allocates (a) the Percentage interest in the Common Elements and Common Expenses and (b) the votes at meetings of Unit Owners. The Declaration may be amended only by a vote of 67 percent or more of the Unit Owners, subject, in certain instances, to the concurrence of the holders of certain mortgages encumbering the Units.

The Condominium Declaration Plan is the land development plan approved by East Hempfield Township for the development of the Condominium and is recorded in the Office of the Recorder of Deeds of Lancaster County along with the Declaration.

The Bylaws is the governing document setting forth the method of management of the Condominium. The Condominium, including the Common Elements, will be managed by an Association of Unit Owners through an Executive Board. The Association is Arbors Association, Inc., a Pennsylvania non-profit corporation.

The Declaration and the Bylaws are complex documents. Copies of these documents are attached for review by you and any legal counsel or other advisors you may elect to retain. Some of the significant features of the Declaration and Bylaws are described below, but if there is any conflict between the description contained here and the actual text of the Condominium Documents, the Condominium Documents will control.

Units may be used by the Unit Owners only for residential purposes, subject to Declarant's rights to use Units which it owns as sales or management offices or models. The Condominium Documents do not contain any limitation on the sale or transfer of Units, except that single Units may not be subdivided into smaller units (unless a single Unit was created by the combination of two or more Units, in which event such Units may later be separated into the original Units). Units may be leased and Unit Owners are required to notify the Executive Board

of any sale or lease of Units.

Under the Declaration, the Executive Board may promulgate Rules and Regulations governing the use of the Condominium. Copies of the Rules and Regulations must be delivered to the Unit Owners. These Rules and Regulations may govern, among other things, the use of Common Elements and the ownership and enjoyment of pets on the Property. A copy of the current Rules and Regulations is attached as an Exhibit to this Public Offering Statement.

Unit Owners may place mortgages on their Units. Generally, a mortgage is permitted if it is given to the seller of the Unit, the Declarant, or a financial institution. The Executive Board must be given notice of the name and address of each prospective mortgage holder and the amount of the proposed mortgage before the mortgage or the obligation it secures is executed.

Each Unit Owner is solely responsible for the proper care and maintenance of his or her Unit. Maintenance of the Common Elements is the responsibility of the Association.

The Association is comprised of all of the Unit Owners. The responsibility for operation of the daily affairs of the Association rests with the Executive Board, which initially shall consist of three (3) persons. All members of the initial Executive Board shall be appointed by Declarant. Declarant will also have the right to remove any of its appointees at any time. In order to allow for the smooth and orderly transfer of control of the Association to the Unit Owners, a special election meeting will be held within 60 days after 25% of the Units have been conveyed to persons other than Declarant, so that Unit Owners other than the Declarant may elect a Unit Owner as an additional member of the Executive Board. Within 60 days after 50% of the Units have been conveyed to persons other than the Declarant, another special election meeting will be held so that the Unit Owners other than the Declarant may elect a second Unit Owner to serve on the Executive Board with the three members appointed by Declarant. Not later than the earlier of (i) five (5) years after the date of the sale of the first unit, or (ii) 120 days after the conveyance of 75% of the Units to Unit Owners other than the Declarant, all remaining Declarant appointed members of the Executive Board shall resign and the Unit Owners (including Declarant) will thereafter elect the entire Executive Board. In calculating the percentages referred to above, the total number of "Units" is presumed to be all of the Units which the Declarant has built or has reserved the right to build in the future as part of the Flexible Condominium. After this meeting of Unit Owners, all five (5) members of the Executive Board must be either Unit Owners or partners, shareholders or officers of entities that are Unit Owners or designees of the Declarant. At the annual meeting (and all special meetings) of the Association, each Unit will be allocated one vote for purposes of voting on all matters upon which Unit Owners are entitled to vote. The Declarant will be entitled to vote all votes allocated to Units which it owns. The Declaration does not provide for class or cumulative voting.

The Executive Board will meet, as it deems necessary to perform its duties. Its responsibilities include the approval of capital expenditures, the establishment of a budget for each fiscal year and the assessment against each Unit and Unit Owner of a portion of the funds necessary to operate under the budget.

The Executive Board of the Association has entered into a management contract with

Millfield Construction Co. Millfield also is the contractor who has been retained by the Declarant to build the Units. The Association will pay a management fee to Millfield equal to nine percent (9%) of the gross receipts of the Association. In addition to this compensation, Millfield will be reimbursed for all out of pocket expenses (for example, postage, photocopies, and other miscellaneous expenses).

A majority of all Unit Owners may reject any budget or capital expenditure approved by the Executive Board, within thirty (30) days after such approval.

Each Unit's assessment for Common Expenses shall be determined by the Executive Board. Currently, the owners of an end Unit or a detached Unit will pay an assessment 10% greater than the owner of an interior Unit. Assessments for Common Expenses are made by the Executive Board and are payable by the Unit Owners. If the amount assessed and collected by the Executive Board during any year is not sufficient to cover the actual Common Expenses of the Condominium, the Executive Board may make additional assessments for the fiscal year. Any assessment which a Unit Owner does not pay, when due, becomes a lien against the Unit Owner's Unit enforceable under the Act and in accordance with the Declaration and the Bylaws, which provide for a late charge.

The Executive Board elects its own officers.

Association Budget

5. If, as of the effective date of this Public Offering Statement, the Association has any balance sheet, it is attached. If no balance sheet is attached, it is only because as of this date the Association has no balance sheet, having received no payments and having transacted no business. A projected Budget for the Association for the twelve-month period from January 1, 2007 to December 31, 2007 is attached. This budget was prepared by Millfield Construction Co., the managing agent, based on projected occupancy of the condominium for that period. The budget includes a reserve for repairs and replacements of structural components of the units (e.g. the roofs of each building) and the Common Elements (e.g. the roadways and sidewalks) and a small contingency reserve for unanticipated expenses. The budget provides no other reserves. The budget also sets forth the projected expense assessments for each type of Unit. Declarant will pay Common Expense assessments for each Unit owned by Declarant. Any expenses paid or provided by the Declarant which may later constitute Common Expenses are identified in the Pro-Forma Budget as such.

Liens and Encumbrances

6. The Condominium is presently subject to existing mortgage held by Bank of Lancaster County, N.A. Upon the conveyance of a Unit to a purchaser, the Unit will be released from the lien of these mortgages. The Condominium is subject to an easement for construction and sales activities in favor of Declarant (as set forth in the Declaration) and to easements for utility services.

In addition to the easements depicted on the Condominium Declaration Plan, the

portioned Land located to the north of the stream is subject to revocable license agreements in favor of the neighboring property owners. In exchange for the license, each neighboring property owner has agreed to maintain the portion of the Land subject to the license agreement. Prior to the end of the Development Period (as defined in the Declaration), Declarant will assign its rights and obligations under such license agreements to the Association. If a license agreement is terminated, the Association will be responsible for the maintenance of that portion of the Land that had been subject to the license.

Governmental Approvals and Permits

7. The Township of East Hempfield requires the issuance of a Certificate of Use and Occupancy before any Unit may be occupied. It is the responsibility of the Declarant, at its expense, to obtain this Certificate of Use and Occupancy from the Township for each Unit. Further, before construction can begin on any additional Buildings, which may be constructed on the Convertible Real Estate, the Declarant must obtain, a building permit from the Township, the cost of this permit being paid for by the Declarant.

There are currently no outstanding or uncured notices of violations of any governmental requirements issued by any governmental agency.

Statement Relative to Environmental Hazards

8. The Declarant has no actual knowledge as to any of the following matters which adversely affect the Land upon which the Condominium shall be developed:

a. Hazardous conditions, including contamination affecting the Condominium site by hazardous substances, hazardous waste or the like, or the existence of underground storage tanks for petroleum products or other hazardous substances;

b. Any investigation conducted to determine the presence of hazardous conditions on or affecting the condominium site;

c. Any finding or action recommended to be taken in the report of any such investigation, or by any governmental body, agency, or authority, in order to correct any hazardous conditions, and any actions taken pursuant to those recommendations.

Section 3402 of the Pennsylvania Uniform Condominium Act requires the Declarant to provide the address and telephone number of the regional offices of the Department of Environmental Resources and the United States Environmental Protection Agency where information concerning environmental conditions affecting the condominium site may be obtained (if any such information does, in fact, exist). Accordingly, the Declarant provides the following information:

Pennsylvania Department of Environmental Resources
Harrisburg Regional Office
1 Ararat Boulevard
Harrisburg, PA 17110
(717) 657-4585

United States Environmental Protection Agency
Region 3 Regional Office
1650 Arch Street
Philadelphia, PA 19103-2029
215-814-5700

Financing for Purchasers of Units

9. Although the Declarant has not obtained any commitment for mortgage loans to be made available to Unit purchasers, the Declarant will refer prospective purchasers to one or more institutions, which may be prepared to provide this financing. No assurance as to the availability of mortgage financing can be made at this time.

A purchaser shall not give a mortgage on his Unit until he has advised the Executive Board of the name and address of the lender and the amount of the loan.

Warranties

10. The only warranties provided by the Declarant are those expressly set forth in Section 3411 (b) of the Act. In summary, the Declarant warrants against structural defects in each of the Units for two (2) years from the date each Unit is conveyed to a bona fide purchaser, and all of the Common Elements for two (2) years. The warranty to a purchaser may be transferred to subsequent Unit Owners. The term "structural defects" is defined in the Act as "those defects in components constituting any unit or common element which reduce the stability or safety of the structure below accepted standards, or restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration, or replacement." The Declarant is not responsible for any items of maintenance relating to Units or Common Elements. The Declarant will sow grass seed in the appropriate portions of the Common Area and will do certain landscaping. However, the warranty expressed in this Section 10 shall not apply to lawns, landscaped areas and all concrete surfaces in the Common Area, which includes, but is not limited to, sidewalks, curbs and stairs. Reseeding and maintenance of the lawn landscaped areas in the Common Area shall be the responsibility of the Association.

EXCEPT AS SET FORTH ABOVE, THERE ARE NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BY WAY OF ILLUSTRATION AND NOT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR HABITABILITY.

The warranty described above will expire:

a. As to Units, the warranty begins on the date that the Unit is conveyed to the Purchaser and continues for a period of two (2) years thereafter;

b. The warranty as to Common Elements expires two (2) years from either (i) the date of completion of such Common Element, or (ii) as to any Common Element within any Convertible Real Estate, or portion thereof, the date the first Unit within any such area of Convertible Real Estate is conveyed to a bona fide purchaser.

Judgments and Lawsuits

11. There are no judgments against the Association and there are no lawsuits pending against the Declarant or Association of which the Declarant has actual knowledge.

Deposits

12. Except as set forth below, deposits made in connection with the purchase of a Unit shall be held in a non-interest bearing escrow account in accordance with the provisions of Section 3408 of the Act by the listing real estate broker retained by Declarant ("Listing Broker "). Except as set forth below, any deposit will be returned to the purchaser pursuant to Section 3406 of the Act if he or she cancels an Agreement of Sale.

In addition to the deposit set forth in the Agreement of Sale, a Unit purchaser shall pay to Millfield Construction Co., in advance, (i) the cost of all structural changes to the Unit which deviate from the normal floor plan of the Unit, and (ii) the cost of all special orders for the Unit. These payments shall be made by a Unit purchaser to Millfield Construction Co. in both of the following events: (i) if the cost of these items is included in the full purchase price of a Unit and/or (ii) if said items are added to the purchase price after the execution of an Agreement of Sale by virtue of a Construction Change Order. This payment to Millfield Construction Company shall not be held in escrow by the Listing Broker but shall be paid directly to Millfield Construction Co. and shall be non-refundable. However, this payment to Millfield Construction Co. shall be shown as a credit to Unit purchaser on account of the total purchase price of the Unit at the time of closing.

Restraints on Alienation

13. There are no restraints on alienation of any portion of the Condominium. As noted above, however, a Unit Owner may not lease or sublease his or her Unit, except as provided in the Declaration, or give a mortgage on his or her Unit except as permitted by the Declaration. All leases must be written and must provide that failure to comply with the Condominium Documents and Rules and Regulations constitutes a default under the lease.

Insurance Coverage

14. The Act requires that Executive Board and the Association obtain and maintain

insurance coverage for the Condominium as follows:

a. Hazard insurance against all risks of physical loss commonly insured against. Such insurance shall cover both the Units and Common Elements, but not the Unit Owners' personal property. EACH UNIT OWNER SHOULD MAINTAIN SEPARATE INSURANCE FOR HIS OR HER PERSONAL PROPERTY AND ANY UPGRADES, SPECIAL ORDERS OR IMPROVEMENTS TO HIS OR HER UNIT. The Association's hazard insurance must be in an amount equal to the full insurable replacement cost of the property insured, exclusive of land, excavations, foundations and similar items. All proceeds of this policy will be payable to the Association.

b. Comprehensive liability insurance insuring Unit Owners (in their capacity as Unit Owners), members of the Executive Board, and any management agent against any liability to the public or to the Unit Owners, their tenants or invitees. The initial limits of the liability shall be \$1,000,000.00 for death or personal injury and property damage in any single occurrence. EACH UNIT OWNER SHOULD MAINTAIN LIABILITY INSURANCE FOR HIS OWN UNIT.

c. Fidelity coverage against dishonest acts on the part of Executive Board members and officers and agents, employees and volunteers who handle Association funds, such coverage to be in an amount at least equal to the sum of three months, assessments on all Units in the Condominium, plus the Association's reserve funds.

The premiums for all required insurance coverage will be paid by the Association and each Unit Owner will pay his share as part of his assessment for Common Expenses. The Association may carry any other policies of insurance it deems appropriate to protect the Association or Unit Owners.

In the event that any Building is damaged or destroyed, such damage or destruction shall be repaired by the Association, using the available proceeds of insurance, unless 80% of the Unit Owners, including every owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild as provided in Section 3312(g) of the Act. The Declaration also requires consent by certain "Permitted Mortgagees" for an election not to rebuild.

Fees and Charges

15. Except for the Common Expense assessments referred to above, Declarant does not expect to cause or have any other charges imposed on the Unit Owners for the use of Common Elements or other facilities related to the Condominium. At the closing for the sale of each Unit by the Declarant to a third-party buyer, the buyer shall pay to the Association a one-time Initiation Fee contribution of \$750.00 which will be deposited in the Association's bank account. This initiation fee is not an advance payment of the monthly assessment, but rather is a contribution to the Association's initial operating funds. When a Unit Owner sells his Unit, he may attempt to recover this Initiation Fee from the buyer of his Unit by requiring the buyer to pay to the Unit Owner all or part of the initiation fee.

Unusual Circumstances

16. To the best of the knowledge and information of Declarant, there are no unusual circumstances or characteristics affecting the Condominium or the Units.

Additional Provisions Affecting the Condominium

17. Geology. According to the Pennsylvania Geologic Survey's Atlas of Preliminary Geologic Quadrangles, Fourth Series, 1981 ("Atlas"), the Condominium site is underlain by the metamorphic quartzite, quartz schist, and phyllite of the Cambrian-aged Antietam and Harpers geological formations. An initial geologic investigation performed by Advantage Engineering on behalf Declarant in 2005, which included excavation of nineteen test pits across the construction area, confirmed the identification of underlying rock formations as set forth in the Atlas. Such formations are not prone to development of sinkholes or other karst features.

Due to observation of soil depressions during construction activities, Declarant retained Enviroscan, Inc. and Advantage Engineering to perform additional investigations with respect to the formations underlying the Condominium. The two consultants arrived at differing conclusions. Enviroscan, Inc., using geophysical techniques, did not detect any terrain conductivity anomalies of the type generally associated with faults, fractures, or other sinkhole prone lineaments and suggested that soil depressions that were observed must have been caused by factors other than sinkhole formation. Advantage Engineering, on the other hand, analyzing results from two test borings, concluded that it appears as if the Pennsylvania Geologic Survey's Atlas does not precisely identify the limits of the various rock formations within or near the Condominium, and at least a portion of the Condominium site is impacted by the Vintage formation, which contains carbonate bedrock that is susceptible to sinkhole development.

Advantage Engineering has explained that carbonate bedrock (various forms of limestone), such as that found within the Vintage formation, is not unique and in fact underlies a significant portion of south-central Pennsylvania and specifically, Lancaster County and East Hempfield Township.

Copies of the reports are available for review at the Offices of Millfield Construction Company, 2130 Marietta Avenue, Lancaster, Pennsylvania.

Mimosa Lane. A private road named Mimosa Lane will provide access to the Condominium from Spring Valley Road. The Association is responsible for the maintenance, repair and replacement of that portion of Mimosa Lane within the Property as a Common Element of the Condominium. Mimosa Lane will not be offered for dedication to the Township, because permission to construct the private road and certain related design modifications were granted by the Township subject to the expressed condition that such road not be dedicated to the Township.

Constructed Wetlands. The storm water management system includes, among other things, two areas of constructed wetlands, as depicted upon the Condominium Declaration Plan and the Final Subdivision and Land Development Plan (Constructed Wetlands).' The Constructed Wetlands shall be subject to the restrictions and maintained in accordance with the provisions set forth on the Final Subdivision and Land Development Plan and set forth in the Declaration, including but not limited to the Constructed Wetlands (a) shall be maintained as a

"No Mow" Zone, (b) not be used as a depository for lawn clippings, plants clippings, other yard waste or any other substance, (c) kept free from non-native or invasive species, trash and debris. The Association shall contract with a qualified individual or organization who is experienced in the maintenance, and/or inspection of infiltration/retention facilities to undertake the maintenance and monitoring of the Constructed Wetlands on an as-needed basis but no less than two times per year for the first three years and once a year thereafter.

Infiltration Beds Within Mimosa Lane. The storm water management system includes, among other things, infiltration beds to be constructed under Mimosa Lane, as depicted upon the Condominium Declaration Plan and the Final Subdivision and Land Development Plan (Infiltration Beds)’ The Association is responsible for the maintenance, repair and replacement of the Infiltration Beds, including but not limited to the remediation of any sink holes which develop within the Infiltration Beds and repairs necessitated to Mimosa Lane or other Common Elements. The Association shall contract with a qualified individual or organization who is experienced in the maintenance, and/or inspection of similar infiltration/retention facilities to undertake the inspection, maintenance and monitoring of the Infiltration Beds every six weeks and after rainfall events of two inches or more in a twenty four hour period. East Hempfield Township must be informed of any problems observed during such inspections, and shall be provided copies of the inspection and maintenance reports provided to the Association.

Reserves

18. Reserves for capital expenditures have been provided in the attached budget of the Association. A more complete description of such reserves is set forth under the heading Association Budget ’above and in the budget itself. The useful life (based solely on manufacturer's representations and reasonable expectations) and estimated cost of replacing such items for each Building (based on year 2006 costs) is as follows:

COMPONENT OR UTILITY INSTALLATION	REMAINING USEFUL LIFE	REPLACEMENT COSTS/Unit
Roofing	30 years	\$3,200.00
Ext. Trim/Siding	50 years	\$3,600.00
Drives, walks	20 years	\$1,500.00
Streets	50 years	\$5,700.00
Storm water seepage beds	50 years	\$3,400.00
Exterior Lights	20 years	\$ 370.00

Amendments

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

ANY INFORMATION OR DATA REGARDING THE CONDOMINIUM NOT INCLUDED IN THIS PUBLIC OFFERING STATEMENT MUST NOT BE RELIED UPON. NO PERSON HAS BEEN AUTHORIZED BY THE DECLARANT TO MAKE ANY REPRESENTATION OR WARRANTY NOT EXPRESSLY CONTAINED HEREIN, AND NOTHING IN THIS PUBLIC OFFERING STATEMENT MAY BE CHANGED OR MODIFIED ORALLY.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this _____ day of _____, 2007.

First Neighborhood LLC,
a Pennsylvania limited liability company

By: Millfield Construction Co., Manager

By: _____
G. Robert Riahi, President

Millfield Construction Co.,
a Pennsylvania corporation

By: _____
G. Robert Riahi, President

COMMONWEALTH OF PENNSYLVANIA :
: SS:
COUNTY OF LANCASTER :

On this _____ day of _____, 2006, before me, the undersigned officer, personally appeared G. Robert Riahi, who acknowledged himself to be the President of Millfield Construction Co., and that he as such President, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as the President.

Witness my hand and notarial seal.

Notary Public

My Commission Expires: _____

COMMONWEALTH OF PENNSYLVANIA :
: SS:
COUNTY OF LANCASTER :

On this _____ day of _____, 2006, before me, the undersigned officer, personally appeared G. Robert Riahi, who acknowledged himself to be the President of Millfield Construction Co., Manager of First Neighborhood LLC, and that he as such President, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as the President.

Witness my hand and notarial seal.

Notary Public

My Commission Expires: _____