

Public Offering Statement

PUBLIC OFFERING STATEMENT

FOR

NORTH HILLS SUBDIVISION AT CRESS CREEK

NEAR

SHEPHERDSTOWN, JEFFERSON COUNTY, WEST VIRGINIA

ARTICLE I

NAME OF COMMON INTEREST COMMUNITY: NORTH HILLS SUBDIVISION AT CRESS CREEK

LOCATION OF COMMON INTEREST COMMUNITY:

Jefferson County,
Shepherdstown District,
West Virginia, located
East of Shepherd Grade Road
approximately one (1)
mile from the town
limits of Shepherdstown

MAILING ADDRESS OF COMMON INTEREST COMMUNITY:

100 Cress Creek Drive
Shepherdstown
West Virginia 25443

**NAME OF DECLARANT: Home Hill Corporation,
a West Virginia corporation**

PRINCIPAL ADDRESS OF DECLARANT:

100 Cress Creek Drive
Shepherdstown
West Virginia 25443

EFFECTIVE DATE OF THIS PUBLIC OFFERING STATEMENT: October 10, 2007

ARTICLE II
PURPOSE OF PUBLIC OFFERING STATEMENT

This Public Offering Statement presents information regarding Units in a Common Interest Community being offered for sale by Declarant. West Virginia law requires that a Public Offering Statement be given to every purchaser in order to provide full and accurate disclosure of the significant features of the Units being offered. The Public Offering Statement is not intended, however, to be all-inclusive. The purchaser should consult other sources for details not covered by the Public Offering Statement.

The Public Offering Statement summarizes information contained in certain Common Interest Community documents prepared by Declarant. In the event of any inconsistency between the Public Offering Statement and the material it is intended to summarize, the latter will control. Definitions of terms used herein are contained in the documents unless otherwise stated.

The information contained herein supersedes any representations previously made by Home Hill Corporation, or any of its authorized agents or sales representatives.

ARTICLE III
STATUTORY NOTICE

Each prospective purchaser of a Unit in Cress Creek Development is hereby notified as follows:

- 1. WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT, A PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT IN NORTH HILLS SUBDIVISION AT CRESS CREEK DEVELOPMENT FROM THE DECLARANT.**
- 2. IF THE DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT TEN PERCENT (10%) OF THE SALE PRICE OF THE UNIT.**
- 3. IF A PURCHASER RECEIVED THE PUBLIC OFFERING STATEMENT MORE THAN FIFTEEN (15) DAYS BEFORE SIGNING A CONTRACT, THE PURCHASER CANNOT CANCEL THE CONTRACT.**
- 4. ANY DEPOSIT MADE BY A PURCHASER IN CONNECTION WITH THE PURCHASE OF A UNIT IS TO BE HELD IN AN ESCROW ACCOUNT, AS HEREINAFTER DESCRIBED, UNTIL CLOSING AND WILL BE RETURNED TO THE PURCHASER IF THE PURCHASER CANCELS A CONTRACT TO PURCHASE WITHIN THE APPLICABLE RESCISSION PERIOD. THE NAME AND ADDRESS OF THE**

CURRENT ESCROW AGENT IS: CENTRA BANK, INC., A WEST VIRGINIA CORPORATION, 300 FOXCROFT AVE., SUITE 101, P.O. BOX 1109, MARTINSBURG, WEST VIRGINIA, 25401. THE REAL ESTATE BROKER, IF APPROPRIATE, MAY ALSO ACT AS ESCROW AGENT AND HOLD THE FUNDS IN THE BROKER'S ESCROW ACCOUNT.

5. IF A PURCHASER ELECTS TO CANCEL A CONTRACT PURSUANT TO THE ABOVE PROVISIONS, THE PURCHASER MAY DO SO BY HAND-DELIVERING NOTICE THEREOF TO DECLARANT, OR BY MAILING NOTICE THEREOF BY PREPAID, UNITED STATES MAIL TO DECLARANT OR TO ITS AGENT FOR SERVICE OF PROCESS. CANCELLATION PURSUANT TO THE ABOVE PROVISIONS IS WITHOUT PENALTY AND ALL PAYMENTS MADE BY PURCHASER BEFORE CANCELLATION SHALL BE REFUNDED PROMPTLY. NO INTEREST SHALL BE PAYABLE ON ANY ESCROWED FUNDS.

6. SPECIAL NOTE: THE PURCHASER OF A UNIT IN THE COMMON INTEREST COMMUNITY ACQUIRES CERTAIN RIGHTS AND OBLIGATIONS WHICH ARE NOT COMMON TO OTHER FORMS OF REAL ESTATE OWNERSHIP. PURCHASERS SHOULD CAREFULLY READ THIS PUBLIC OFFERING STATEMENT AND ARE URGED TO CONSULT WITH THEIR ATTORNEYS OR OTHER ADVISORS PRIOR TO COMPLETING PERFORMANCE OF A CONTRACT OF PURCHASE.

ARTICLE IV
SUMMARY OF IMPORTANT CONSIDERATIONS

Following are important matters to be considered in acquiring a Unit. They are highlights only. The narrative sections should be examined to obtain detailed information.

1. The Common Interest Community will be governed by a Unit Owners Association. The Owner or Owners of each Unit will have a proportionate vote on decisions affecting the Association and will be bound by decisions of the Association including those with which the Owner disagrees. Initially, the Declarant is in control of the Association.

2. Certain decisions of the Unit Owners Association will be made by an executive board, i.e. the board of directors of the Unit Owners Association. Initially, the Declarant is in control of the Executive Board.

3. The common expenses of the Unit Owners Association will be paid by the Unit Owners on the basis of an annual budget once assessments are made. Each unit Owner will pay an annual assessment. A Unit Owner cannot reduce the amount of his assessment by refraining from use of the Common Elements, or, if applicable, the Limited Common Elements.

4. If a Unit Owner fails to pay an assessment when due, the Unit Owners Association

will have a lien against his or her Unit. Certain other penalties may be applied. If a Unit Owner violates the Covenants and Restrictions, a fine may be levied against the Unit Owner that may result in the Unit Owners Association placing a lien against the Unit. The Unit Owner's Association may inform a mortgage holder of any delinquency in the payment of Common Expense Assessments or of fines owed by the Unit owner, as provided in the Declaration.

5. Upon completion of development, the Declarant will pay assessments on unsold Units. The first assessment of Units will be made on July 1, 2008. Until that time, Declarant will bear the cost of the maintenance of all Common Elements.

6. The Declarant will retain control of the Unit Owners Association which shall terminate upon the happening of the earlier of:

(i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Unit Owners other than a Declarant;

(ii) Two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business; or

(iii) Two (2) years after any right to add new Units was last exercised.

During the foregoing period, the Declarant may appoint and remove officers and members of the executive board subject to the provisions contained within the Declaration.

7. The Declarant may add additional real estate to the Common Interest Community and create additional Units, Common Elements, and Limited Common Elements therein without the consent of any Unit Owner.

8. The right of a Unit Owner to resell his or her Unit is subject to no restrictions except as may be contained in the Declaration, Amendments made to the Declaration, Bylaws of the Association or the Act.

9. The Units are restricted to residential use, subject to the provisions hereof entitled "Special Declarant Rights."

10. The Unit Owner may not construct, change or modify the exterior of his or her Unit without permission in advance from the Unit Owners Association.

11. Provided it is available, the Unit Owners Association will obtain certain property and liability insurance regarding the Common Elements benefitting the Unit Owners Association and the Unit Owner, but the Unit Owner should obtain other insurance on his or her own for his or her own benefit. The Association will not insure a Unit Owner's Unit. Such insurance is the sole responsibility of the Unit Owner.

12. Each Unit will be separately assessed for real estate taxes and the Unit Owner will be responsible for payment of the real estate taxes levied against the Unit.

13. A managing agent will perform the routine operations of the Unit Owners Association. The managing agent will be Home Hill Corporation, the Declarant, during the period of Declarant control provided for in the Declaration.

ARTICLE V
COMMON INTEREST COMMUNITY

A Common Interest Community is a Planned Community and is a form of real property ownership in which the Unit Owner is (1) the sole owner of a designated parcel of real estate and the improvements thereon and is (2) a Member of a Unit Owner's Association which owns and maintains the Common Elements and Limited Common Elements within the Common Interest Community. Each Unit Owner, by virtue of his or her ownership of a Unit, has a proportional vote in the government of the Association equal to each other Unit Owner, and shares proportionately in the common expenses of the Association. A Common Interest Community may also contain Limited Common Elements which consist of those Common Elements which are designated as reserved for the use of less than all of the Units, to the exclusion of all other Units. The expenses attributable to a Limited Common Element are assigned only to those Units to which the Limited Common Element is allocated.

Each Unit Owner is free at any time to sell or otherwise transfer a Unit, to mortgage a Unit, to have exclusive possession thereof and to be free of any liens arising out of mortgages placed by other Unit owners on their respective Units. The Unit will be taxed as a separate Unit for real estate tax purposes, and the Unit Owner will not be responsible for the failure of other Unit Owners to pay their real estate taxes.

Ownership of a Unit in a Common Interest Community also has characteristics that are not normally associated with home ownership. The administration, maintenance, repair and management of the Common Elements is the responsibility of the Executive Board of the Unit Owners Association which consists of between three (3) and eight (8) individuals who shall be appointed initially by the Declarant and elected subsequently by all of the Unit Owners. A purchaser of a Unit automatically becomes a member of the Unit Owners Association upon his or her purchase. There are certain rules and regulations which may be promulgated by the Declarant or by the Unit Owners Association, or through its governing body, the Executive Board, to which all Unit Owners will be subject and required to comply. Such rules include the regulation of the manner in which the Unit purchaser may use, enjoy and maintain his or her Unit so as not to impair the use and enjoyment of other Unit Owners of their Units.

ARTICLE VI
THE DECLARANT

The Declarant, Home Hill Corporation (dba Cress Creek Company), is a West Virginia Corporation, whose Articles of Incorporation were filed with the Secretary of State of the State of West Virginia on January 14, 1987, which Certificate of Incorporation is of record in the Office of the Clerk of the County Commission of Jefferson County, West Virginia, in Corporation Book No. 13, at Page 370. Home Hill Corporation is a closely held corporation.

ARTICLE VII
SURROUNDING AREA

North Hills Subdivision at Cress Creek is located in beautiful Jefferson County, West Virginia, approximately one (1) mile from the town limits of Shepherdstown, which is one of the oldest towns in the State. It is located within one-quarter (1/4) mile from the Potomac River and is adjacent to an eighteen (18) hole golf course, tennis courts and a swimming pool. It is in close proximity to Harpers Ferry and Harpers Ferry National Historical Park, which are approximately ten (10) miles away. Martinsburg, West Virginia is approximately eight (8) miles West of Shepherdstown. Shepherdstown is also the location of Shepherd University, which is a small state supported liberal arts university. An elementary school and middle school are approximately 1 1/2 miles away.

ARTICLE VIII
CREATION OF THE COMMON INTEREST COMMUNITY

Under the provisions of Chapter 36B of the Code of West Virginia of 1931, as amended, the West Virginia Uniform Common Interest Ownership Act ("the Act"), a Planned Unit Development or Common Interest Community may be created only by recording a Declaration executed in the same manner as a deed. The Declaration must be recorded in the county in which the Common Interest Community is located. No Common Interest Community Units may be conveyed until the Declaration is recorded.

North Hills Subdivision at Cress Creek was created by the recording in the Office of the Clerk of the County Commission of Jefferson County, West Virginia, of a Declaration entitled, DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NORTH HILLS SUBDIVISION AT CRESS CREEK recorded in the Office of the Clerk of the County Commission of Jefferson County, West Virginia on July 12, 2007 in Deed Book 1038, at Page 415, *et seq.*, and by the plat of survey dated March 16, 2007, prepared by Dewberry & Davis, LLC, entitled "Final Plat Showing Lots 1-20 & Lot 21 (Residue) North Hills at Cress Creek," and recorded in the aforesaid Clerk's Office in Plat Book 24 at Page 29, *et seq.*; and a FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NORTH HILLS SUBDIVISION AT CRESS CREEK, recorded in the Jefferson County Clerk's Office in Deed Book _____, at page _____, and by the plat of survey dated March 16, 2007, revised September 26, 2007,

prepared by Dewberry & Davis, LLC, entitled "Final Plat Showing Lots 1-20 & Lot 21 (Residue) North Hills at Cress Creek," and recorded in the aforesaid Clerk's Office in Plat Book __ at Page ___, *et seq.*

ARTICLE IX
NARRATIVE DESCRIPTION OF DECLARATION

The Declaration is the legal document that submits certain parcels of land to a Planned Unit Development or Common Interest Community form of ownership or "regime". The Declaration contains the name of the Common Interest Community and the county in which it is located; a legally sufficient description of the real estate included in the Common Interest Community; a statement of the maximum number of Units which Declarant reserves the right to create; a description of the boundaries of each Unit, including the Unit's identifying number; a description of development rights and special Declarant rights reserved by Declarant, together with a legally sufficient description of the real estate to which such rights apply and a time limit within which such rights must be exercised; any condition or limitations on the exercise of those rights, the allocation to each Unit of a fraction or percentage of undivided interests in the Common Elements and in the Common Expenses of the Association and a portion of the votes in the Association; certain descriptions of the use, occupancy and alienation of Units; descriptions of easements or licenses appurtenant to or included in the Common Interest Community or to which any portion of the Common Interest Community is or may become subject; a description of the makeup and organization of the Association and of the general authority and responsibilities of the Association; a description of the degree of Declarant control over the Association and a schedule for the relinquishment of that control; a description of the procedures for the amendment of the Declaration, provisions for the protection of holders of security interests in Units in the Common Interest Community, and other matters which Declarant deems appropriate.

The Declaration may be amended (1) by the Declarant in order to exercise any development rights reserved by it in the Declaration by the preparation, execution and recordation of an amendment to the Declaration; or (2) by vote or agreement of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, except in limited circumstances where another percentage is specified by the Declaration or by statute. Amendments by the Association shall be prepared, executed, recorded and certified on behalf of the Association by an officer thereof designated to do so, or in the absence of designation, by the president of the Association. An amendment is effective only upon recordation. A copy of the most recent Declaration establishing North Hills Subdivision at Cress Creek is attached hereto as "Exhibit 1."

ARTICLE X
NARRATIVE DESCRIPTION OF BYLAWS OF UNIT OWNERS ASSOCIATION

The Act requires that a Unit Owners Association be organized not later than the date the first Unit in the Subdivision is conveyed. The membership in the Association at all times shall consist

exclusively of all of the Unit Owners. The Association will be organized as a “not for profit” corporation. The Association Bylaws provide for the organizational structure of the Association, and the power, authority, duties and responsibilities of the Association with regard to the administration of its affairs and the operation and management of the Subdivision. The Bylaws may be amended upon the affirmative vote of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, provided, that during the period of Declarant control, the Bylaws may not be amended without prior written consent of the Declarant.

A copy of the Bylaws of the Unit Owners Association is attached to this Public Offering Statement as “Exhibit 2”. The manner in which the Common Interest Community will be governed and administered hereinafter is set forth in this Public Offering Statement under the section captioned, “Unit Owners Association.”

ARTICLE XI
DESCRIPTION OF THE COMMON INTEREST COMMUNITY

The Common Interest Community is being developed in a single phase containing twenty (20) Units. The Declarant has reserved certain Development Rights. These Declarant rights, which are set forth in Article VIII of the Declaration, include the right to add real estate to the Common Interest Community; the right to create Units, Common Elements or Limited Common Elements; the right to subdivide and combine Units or convert Units into Common Elements; and the right to withdraw real estate from the Common Interest Community. The Declarant is attempting to maintain a uniform lot area so that the ideal density would be one (1) Unit per three quarter (3/4) to one (1) acre. Some Units will be smaller and some Units will be larger. Unit areas are shown on the final plat of North Hills Subdivision at Cress Creek. A copy of the plat is included in Schedule A-10 of the First Amendment to the Declaration.

Declarant owns additional real property located adjacent to the Common Interest Community. A golf course, tennis courts, a restaurant, a pro shop and a swimming pool have been constructed on this adjacent real property. This property is shown on the Site Plan attached to the Declaration in Schedule A- 10. There are no membership privileges in these facilities as a result of the purchase of a Unit. The Declarant may, however, provide, from time to time, trial memberships as a promotion. There is no requirement that Declarant provide such and may discontinue any promotion at any time.

An entity affiliated with Declarant owns adjacent land which is subject to a conservation easement, as described in Article XX below. That owner has reserved an easement or right of way for ingress and egress to that property over North Hills Circle and Briar Mountain Drive. That easement or right of way is described in a deed recorded in Deed Book 1038 at page 410 in the Office of the Clerk of the County Commission of Jefferson County, West Virginia. Its use is more fully discussed in Article XX below.

An additional property owner has an easement or right of way over North Hills Circle and Briar Mountain Drive for ingress to and from that property for his use and the use of others. That easement or right of way is described in a Deed of Easement recorded in the Office of the Clerk of the County Commission of Jefferson County, West Virginia, in Deed Book 979, at page 576. That easement is also more fully discussed in Article XX below.

There are two easements appurtenant to the Common Interest Community which lie outside the boundaries of the Common Interest Community on adjoining property. The first is a storm water management easement, containing 0.584 acres. The second is a grading and access easement, containing 0.385 acres, for access to the sewer pump station located on the Storm Water Management (SWM) Lot within the Common Interest Community. Both easements are shown on the final plat of North Hills at Cress Creek. The grading and access easement will be dedicated to the Unit Owners Association and the Corporation of Shepherdstown.

There are two access easements or rights of way appurtenant to the Common Interest Community. Both provide ingress and egress from the Common Interest Community to Shepherd Grade Road (WV Secondary Rt. 5). The first is across Fernbank Drive, an existing road which passes through the Fernbank Subdivision at Cress Creek. An agreement with the Fernbank at Cress Creek Unit Owners Association (FUOA), which is discussed in Article XX below provides for an annual assessment from Unit Owners in the Common Interest Community to be paid to FUOA as reimbursement for the use of this right of way. The second easement or right of way is across Greystone Drive, also an existing road in the Fernbank Subdivision, and then across two roads through property adjacent to the Fernbank Subdivision which property is not owned by Declarant. These roads are known as the "connector road" and Howard Farm Road (formerly known as Turner Lane), respectively. Currently, Declarant owns both Fernbank Drive and Greystone Drive. However, Declarant will convey Fernbank Drive and Greystone Drive to FUOA at some point in the future. At the time of that conveyance, Declarant will reserve a right of way over both roads for the use and benefit of the North Hills Subdivision at Cress Creek and others. The easement or right of way over the "connector road" and Howard Farm Road was created by a deed of easement recorded in the Office of the Clerk of the County Commission of Jefferson County, West Virginia, in Deed Book 857, at Page 700, and in Deed Book 857, at Page 711.

INDIVIDUAL UNITS

Number of Units:

The Common Interest Community contains twenty (20) Units. The numbering of the Units in North Hills Subdivision is 1 through 20, inclusive. Lot 21 as shown on the final plat of North Hills Subdivision at Cress Creek is a residue lot which is not part of the Common Interest Community.

Boundaries:

The boundaries of each Unit created by the Declaration are shown on Schedule A-2 as

numbered lots, on the Declaration, together with the ground beneath each such lot and the airspace above each such lot. The identifying number of each Unit is shown on Schedule A-2 of the Declaration.

(i) The minimum building set back line for all improvements constructed on any lot shall be as follows:

(a) Front: Twenty-five (25) feet from the front property line. The front property line is defined as the property line fronting on the street(s) from which access to the lot is provided as shown on the plat of North Hills Subdivision at Cress Creek.

(b) Side and Rear: Twelve (12) feet from each side property line and twenty (20) feet from the rear property line; except that for Lots 1 and 2, no construction shall take place within the fifty (50) foot residential buffer as shown on the aforesaid plat of North Hills Subdivision at Cress Creek.

(ii) It should also be noted, however, that several lots have geometry that may limit future construction of decks, pools, sheds and other approved structures.

(iii) Declarant reserves the right to relocate the boundaries between adjoining Units owned by Declarant and to re-allocate between such Units their Common Element interests, votes in the Association and Common Expense liabilities subject to compliance with the Act.

CHANGES OR ALTERATIONS TO UNITS

A Unit Owner may not change the appearance of the Common Elements, Limited Common Elements, or the exterior appearance of his or her Unit or of a building or any other portion of a structure constructed on a Unit without permission in advance from the Association. The boundaries between adjoining Units may not be relocated without the approval of the Association as provided in the Declaration. The relocation of any boundary must also comply with local health and land use regulations and ordinances. A Unit may not be subdivided into two (2) or more Units.

The Architectural Review Committee will review and approve all plans for improvements and landscaping submitted by Unit Owners applying the procedures set forth in the Declaration and the Guidelines contained within the Design Guidelines, attached hereto as Exhibit 4, as well as verifying compliance of said plans for improvements and landscaping with the covenants and restrictions contained within the Declaration and the Design Guidelines.

No Unit Owner shall interfere with storm water drainage patterns within any easement on a Unit, except as provided in the Declaration.

DESCRIPTION OF ARCHITECTURAL REVIEW PROCEDURE AND DESIGN GUIDELINES

The construction of all improvements, and the installation of all landscaping plans, must be approved in writing in advance by the Architectural Review Committee ("Review Committee"), pursuant to the Design Guidelines for Meadow Ridge, South Hills, Fernbank and North Hills Subdivision at Cress Creek ("Design Guidelines"). No site disturbance on any Unit can begin until Design Guideline requirements have been met by the Unit Owner. A copy of the Design Guidelines are included in Exhibit 4.

The Design Guidelines include a Design Review Process consisting of four steps: (1) pre-design review, (2) preliminary plan review, (3) final plan and construction document review, and (4) construction period reviews. It is strongly recommended that a Unit Owner seek the assistance of a qualified design professional such as an architect, landscape architect, civil engineer and surveyor to assist in complying with all stages of the Design Review Process.

The Design Guidelines provide Site Development Guidelines for the location of all improvements and landscaping within a Unit. The Site Development Guidelines express a preference for plans which minimize disturbance of existing vegetation and other natural features, which take advantage of short and long-run views, and which maximize solar exposure. The Site Development Guidelines place a limit on the area of each Unit which can be developed: For single family homes, the building footprint and remaining improvements, including decks, porches, etc., may not exceed fifteen percent (15%) of the usable square footage of the Unit, so that the maximum lot coverage for improvements may not exceed fifteen percent (15%) of total usable square footage. The Site Development Guidelines set standards for grading, erosion control, planting and irrigation, gardens, driveways and parking, accessory structures, retaining walls, fences and screening, lighting and trash receptacles. Driveways and walkways are not included in the calculation of the area which can be developed when determining the building footprint usable limit.

THERE IS NO MINIMUM SQUARE FOOTAGE IMPROVEMENT REQUIREMENT.

The Design Guidelines contain Architectural Guidelines for all improvements to be constructed within Cress Creek. The Architectural Guidelines encourage the use of five historic architectural styles: Colonial, Georgian, Federal, Greek Revival and Victorian, or an interpretive style of architecture based on these historic references. The Review Process will be more stringent for interpretive styles than for the five historic styles. The Architectural Guidelines set standards for building mass (which include a 3-1/2 story maximum building height, including a walk out basement, on Units not bordering the golf course, and a 2-1/2 story maximum, including a walkout basement, on Units bordering the golf course), foundation materials, dormers, windows, roofs, trim work and cornices, chimneys, exterior colors, exterior walls, porches, skylights, exterior doorways, garages and shutters.

The Design Guidelines set Construction Period Regulations which must be part of all construction contract document specifications for the construction of all improvements. These Regulations specify construction limits and set standards for temporary construction trailers, sheds, and other structures, the time periods for daily operations, and requirements for excavation, debris and trash removal, chemical toilets, vehicles and parking, pets, blasting, restoration and repair, dust, noise and odor, signage and fire extinguishers. The Construction Period Requirements also specifically prohibit certain kinds of activities. The Declaration also specifies certain maximum construction periods.

It must be emphasized that the construction of any improvement on a Unit is also subject to the requirements of the Improvement Location Permit Ordinance ("I.L.P. Ordinance") of the Jefferson County Planning Commission ("Planning Commission"), the State Building Code ("Building Code"), and the Jefferson County Impact Fee Ordinance ("Impact Fee Ordinance"). No construction of any new building or certain alterations of an existing building can begin until the Unit Owner has first obtained an Improvement Location Permit and Building Permit from the Planning Commission and paid the applicable Impact Fee, if any. Each Unit Owner should contact the Planning Commission and familiarize himself or herself with these requirements before beginning the planning and design of improvements to be constructed on the Unit. The address of the Jefferson County Planning Commission is: P. O. Box 338, 104 East Washington Street, Charles Town, West Virginia 25414. The telephone number is: (304) 723-3228. A further discussion of these requirements is provided in Article XXV, below.

Article XXIV of the Declaration establishes the Architectural Review Committee and provides for various procedures for the operation of the Committee. To the extent not specified in that Article, the remaining provisions of the Declaration and the Bylaws of the Association shall govern matters relating to procedures with respect to the Architectural Review Committee.

ARTICLE XII

COMMON ELEMENTS

Description of Common Elements:

The Common Elements of the Planned Unit Development consist of the entire developed Property, including property over which the Association has rights of way or easements; less and excepting the individual Units, the Limited Common Elements allocated for the exclusive use of one or more but fewer than all of the Units and the additional reserved real estate. The Common Elements include, without limitation, all streets and roads and all other parts and elements of the property intended for common use or necessary or convenient to the existence, management, operation, maintenance and safety of the Common Interest Community. Other improvements may be included within or on the Common Elements such as street lights, cluster mailboxes, bus shelters, street signs, utility lines and storm water drainage areas.

The Common Elements may be enlarged when and if the remaining real estate is developed or if additional real estate is added or if additional amenities or facilities are added. Common Elements may also be decreased by allocating a Common Element as a Limited Common Element as provided in Article XII of the Declaration. In such event, an amendment to the Declaration shall be filed in accordance with the Act and the Declaration. The Common Elements are set forth in Schedule A-4 of the Declaration.

Declaration of Limited Common Elements:

All Common Elements identified as being reserved for the exclusive use of or designed to serve one or more, but fewer than all of the Units are "Limited Common Elements". The Limited Common Elements are set forth on Schedule A-3 of the Declaration.

ARTICLE XIII
ALLOCATION OF INTERESTS AND COMMON EXPENSES
OF THE ASSOCIATION AND VOTES IN THE ASSOCIATION

The interests allocated to each Unit have been calculated on the following formulas:

(a) Liability for the Common Expenses. A percentage of liability for Common Expenses allocated to each Unit is based on the number of Units listed on the most current Schedule A-2 of the Declaration. Nothing contained herein shall prohibit certain Common Expenses from being apportioned to particular Units under Articles VI or XVII of the Declaration. The total amount of Common Expenses shall be divided by the number of Units listed in the most current Schedule A-2 of the Declaration to arrive at a proportional share of Common Expenses to be allocated to each Unit. Each Unit shall be allocated one share of Common Expenses so calculated. As Units are added to the Common interest Community, the allocation of expenses shall be adjusted to reflect the total number of Units shown on the current Schedule A-2 of the Declaration. Nothing herein shall be construed so as to require the proportionate sharing of an Association expense where such expense must be borne by less than all Unit Owners pursuant to the Act (see Section 36B-3-1 15 of the Act.)

(b) Votes. Each Unit in the Common Interest Community shall have one equal vote. Any specified percentage, portion or fraction of Unit Owners, unless otherwise stated in the documents, means the specified percentage, portion or fraction of all the votes as allocated according to the number of Units listed in the most current Schedule A-2 of the Declaration. As Units are added to the Common Interest Community, each Unit shall continue to have one (1) equal vote. **Note that as Units are added, votes of existing Unit Owners are diluted.**

(c) Assignment of Allocated Interest Upon Creation of Units Pursuant to the Exercise of Development Rights. The effective date for assigning allocated interest to Units created pursuant to Article VIII of the Declaration while in the creation of additional Units shall be the date on which the amendment creating the Units is recorded on the land records of Jefferson County, West Virginia.

ARTICLE XIV
SCHEDULE OF COMMENCEMENT AND COMPLETION

The Development Rights reserved by the Developer pursuant to Article VIII of the Declaration must be exercised within fifteen (15) years after the recording of the initial Declaration.

Any of the Development Rights set forth in Article VIII of the Declaration may be exercised with respect to different parcels of real estate within the Common Interest Community at different times. However, no assurances are made by the Declarant as to the portions where the Declarant will exercise its Development Rights or the order in which such portions, or all of the real estate, will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions of the real estate within the Common Interest Community.

ARTICLE XV
DESCRIPTION OF DEVELOPMENT RIGHTS

In the Declaration, the Declarant reserved the following Development Rights:

(a) The right to add real estate to the Common Interest Community. The real estate to which this development right applies is set forth in Schedule A-6 of the Declaration.

(b) The right to create Units, Common Elements, or Limited Common Elements within the Common Interest Community.

(c) The right to subdivide and combine Units or convert Units into Common Elements.

(d) The right to withdraw real estate from the Common Interest Community.

(e) The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities for the purpose of furnishing utility and other services to buildings and improvements to be constructed on the real estate shown on Schedule A-6 of the Declaration. The Declarant also reserves the right to withdraw and grant easements to public utilities and to convey improvements within those easements anywhere in the Common Interest Community not occupied by the buildings, for the above mentioned purposes. If the Declarant grants any such easements, Schedule A-1 of the Declaration will be amended to include reference to the recorded easement. The term "utility" as used in this paragraph includes, but is not limited to, electric, telephone, water, sewer and cable television.

The real estate to which the Development Rights specified in Paragraphs (b), (c) and (e) above apply is set forth in Schedule A-6 of the Declaration. The real estate to which the Development Rights specified in Paragraph (d) apply is shown on Schedule A-9 of the Declaration. Any of the Development Rights set forth above may be exercised with respect to different parcels of real estate or portions thereof within the Common Interest Community at different times.

However, no assurances are made by the Declarant as to the portions where the Declarant will exercise its Development Rights or the order in which such portions, or all of the real estate, will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions of the real estate within the Common Interest Community.

The above list of development rights is not exclusive.

Each of the Development Rights set forth above must be exercised within fifteen (15) years after the date the original Declaration is recorded. To exercise a Development Right, Declarant shall prepare, execute and record an amendment to the Declaration and comply with the Act with regard to recording new plats and plans or new certifications of plats and plans previously recorded. Declarant will be the Owner of any unsold Units thereby created. The amendment will assign an identifying number to each new Unit and provide for the reallocation of the allocated undivided fractional interests among all Units as each Tract is developed. If necessary, the amendment will describe Common Elements and Limited Common Elements created thereby.

ARTICLE XVI

ASSURANCES OF DECLARANT

1. Any development right reserved in the Declaration by Declarant may be exercised with respect to different parcels or portions thereof, of additional real estate at different times. No assurance is made with regard to fixing the boundaries of such portions of real estate nor with regard to regulating the order in which those portions may be subjected to the exercise of such Development Right. If any Development Right is exercised in any portion of a parcel of real estate subject to the Development Right, that Development Right need not be exercised in all or in any other portion of the remainder of that parcel of real estate.

2. The maximum number of Units which may be created within the Common Interest Community is twenty (20).

3. All of the Units which may be created pursuant to reserved Development Rights, within the real estate described in Schedule A-2 of the Declaration, will be restricted exclusively to residential use, subject to the provisions of the Declaration entitled "Development Rights and Other Special Declarant Rights".

4. The maximum extent to which each Unit's allocated interests may be changed by the exercise of the Development Right to create the maximum number of Units reserved, within the real estate described in Schedule A-2 of the Declaration, is from its then existing fractional interest to 1/20.

5. No assurances are made in regard to general descriptions of all other improvements that may be made or Common Elements or Limited Common Elements that may be created within any part of the Common Interest Community pursuant to any Development Right reserved by Declarant.

6. Declarant makes no assurances as to the location of any buildings or other improvements to be made upon or within the additional real estate.

7. Declarant makes no assurances that any Common Elements or Limited Common Elements created pursuant to any Development Right reserved by Declarant will be of the same general types as the Common Elements or Limited Common Elements within other parts of the Common Interest Community.

8. The proportion of Limited Common Elements to Units created pursuant to any Development Right reserved by Declarant may not be equal to the proportion existing within other parts of the Common Interest Community.

9. All restrictions in the Declaration affecting use, occupancy, and alienation of Units will apply to any Units created pursuant to any Development Right reserved by Declarant.

10. Any assurances made in the Declaration regarding additional real estate or any Development Right do not apply in the event that any or all of the additional real estate is not added to the Common Interest Community or in the event any Development Right is not exercised.

11. There are no conditions relating to or limitations upon the exercise of Development Rights except as specified in the Act or in the Declaration.

ARTICLE XVII

UNIT OWNERS ASSOCIATION

Organization of Unit Owners Association:

North Hills Subdivision at Cress Creek Unit Owners Association will be organized as a “not for profit” corporation under the laws of West Virginia. The membership of the Association at all times shall consist exclusively of all the Unit Owners.

Powers and Functions of Association:

The Association shall without limitation have the following powers and functions: (1) To adopt and amend Bylaws and rules and regulations; (2) To adopt and amend budgets for revenues, expenditures and reserves and on the basis of such budgets to levy and collect assessments for Common Expenses from Unit Owners; (3) To hire and discharge managing agents and other employees, agents and independent contractors; (4) To make contracts and incur liabilities; (5) To regulate the use, maintenance, repair, replacement and modification of Common Elements; (6) To cause additional improvements to be made as part of the Common Elements; (7) To impose liens and make charges for the late payment of assessments and to levy fines for violation of the Declaration, Bylaws and rules and regulations; (8) To prepare and deliver resale certificates; and (9) To exercise any other powers conferred by the Declaration, the Bylaws, the Act, or which may be

exercised in West Virginia by legal entities of the same type as the Association.

Organizational Structure:

The management and administration of the affairs of the Association will be performed by an Executive Board, which may act in all instances on behalf of the Association, except as provided in the Declaration, the Bylaws, or the Act. The Executive Board shall consist of the number of members fixed by the Bylaws, but not in any event less than three (3) members who shall elect officers consisting of a President, Vice-President, Secretary and Treasurer. The Executive Board may employ a managing agent to whom it may assign or delegate the responsibility for the performance of the management functions of the Association. The powers and duties of the Association, officers and managing agent are provided for in the Bylaws.

Appointment and Election of Officers and Members of Executive Board - Period of Declarant Control:

The Declaration provides for a period of Declarant control of the Association during which period the Declarant may appoint and remove the officers and members of the Executive Board. The period of Declarant control extends from the earlier of the formation of the Association or the date of the first conveyance of a Unit by Declarant for a period not exceeding fifteen (15) years. Regardless of the period provided above, the period of Declarant control terminates no later than the earlier of: (i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created to Unit Owners other than Declarant; (ii) Two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of business; or (iii) Two (2) years after any development right to add new Units was last exercised. A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of that period, but in that event it may require, for the duration period of Declarant control that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

Not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three (3) members and not more than eight (8) members, a majority of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

Allocation of Voting Power Among Unit Owners:

Each Unit in the Common Interest Community shall have one (1) equal vote. The specified percentage, portion, or fraction allocated to the Unit Owner, unless otherwise stated in the documents, is that specified percentage, portion, or fraction as the number 1 bears to all of the votes as allocated according to the number of Units listed in most current Schedule A-2 of the Declaration. As Units are added to the Common Interest Community, each Unit shall continue to have one equal vote. As additional Units are added to the Common Interest Community, the vote of existing Unit Owners will be diluted.

Managing Agent:

The initial managing agent for the Development and the Association will be Home Hill Corporation, a West Virginia corporation, during the period of Declarant control, as provided in the Declaration.

Rules and Regulations of Association:

The Unit Owners Association and the Executive Board thereof have authority to promulgate rules and regulations. Other than the Design Guidelines, no separate rules and regulations have been promulgated as of the effective date of this Public Offering Statement. However, certain rules and regulations designated as restrictions on the use and occupancy of Units and of Common Elements are contained in the Declaration and the Bylaws.

Architectural Review Committee:

The Association's Bylaws provide that the Executive Board shall appoint to an Architectural Review Committee of at least three (3) members of the Association. Such committee shall regulate the external design, appearance, use and maintenance of the Common Elements and buildings constructed upon Units, as well as compliance with covenants and restrictions, and shall have the power to impose fines and issue cease and desist orders to persons whose actions are inconsistent with the provisions of the Act, the Declaration, Bylaws, rules and regulations and resolutions of the Executive Board. The Architectural Review Committee shall also have the authority to interpret Unit instruments and rules and regulations.

Right of Access to Unit:

Any person authorized by the Executive Board shall have the right of access to each Unit to inspect and make repairs to the Unit in order to prevent damage to the Unit, the Common Elements, Limited Common Elements, or other Units; to correct any condition which originated in a Unit, in a Common Element or a Limited Common Element to which access is obtained through such Unit and threatening another Unit, Common Elements, or the Limited Common Elements, or to abate or remove any thing or condition which constitutes a violation of the Act, the Declaration, Bylaws, or

rules and regulations. Whenever possible, reasonable notice in advance of the exercise of such right of entry shall be given to the Unit Owner to provide the opportunity to be present; however, in the event of emergency such right of access shall be immediate without notice, whether or not the owner is present. Declarant or the Unit Owners Association or its representatives or agents are empowered to take actions or perform work in a Unit without the consent of the Unit Owner and the Unit Owner may be required to bear the costs of actions so taken or work so performed. Such right of access is for the benefit of all Unit Owners.

Lien for Assessments and Fines:

The Association will have a lien on a Unit for any Common Expenses assessment or other assessment levied against that Unit or fines imposed against its Owner from the time the assessment or fine becomes due. The Association's lien may be foreclosed in like manner as a mortgage on real estate, or a power of sale under a deed of trust. Purchasers should acquaint themselves with Article XVII of the Declaration, respecting assessments, liens for assessments, and the manner in which such liens may be enforced. Note that a foreclosure of a Lien for Assessments may result in your Unit being sold and your loss of the property and the use thereof.

ARTICLE XVIII
PROJECTED BUDGET FOR THE ASSOCIATION

A projected budget for the Unit Owners' Association for a one (1) year period commencing on July 1, 2008, on a pro-forma basis is attached to this Offering Statement as "Exhibit 5". The projected budget includes a statement of who prepared the budget, a statement of the budget's assumptions concerning occupancy and inflation factors, the projected Common Expense assessment by category of expenditures, the projected monthly Common Expense assessment for each Unit, a statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement and a statement of any other reserves. The projected budget reflects the estimated annual Common Expense assessment for the Association for twenty (20) Units for the twelve (12) month period from July 1, 2009 to June 30, 2010.

Declarant asserts that there are no services that it will provide or expenses that it will pay or that it expects may become a Common Expense of the Association that are not reflected in the projected budget.

It is not possible to determine the actual costs of operation of the Common Interest Community due to the fact that it is unknown if and when any of the Units will be sold, and due to many unknown and variable factors. Increases in the cost of materials, labor and/or services or inflationary pressures could cause increases in Association expenses and consequently increases in assessments to Unit Owners. **PROSPECTIVE PURCHASERS MUST BE AWARE THAT CIRCUMSTANCES COULD RESULT IN INCREASED ASSESSMENTS.**

UNTIL DECLARANT MAKES AN ACTUAL ASSESSMENT, DECLARANT WILL BE RESPONSIBLE FOR ASSOCIATION EXPENSES. IT IS THE DECLARANT'S DISCRETION AS TO WHEN TO MAKE THE ASSESSMENT.

Any surplus funds of the Association remaining after payment of or provision for common expenses and any prepayment of reserves will be repaid to the Unit Owners in proportion to their common expense liabilities or credited to them to reduce their future common expense assessments. Such determination shall be made by the Association.

ARTICLE XIX
INITIAL OR SPECIAL FEE DUE FROM PURCHASER AT CLOSING

There is no initial purchaser fee required to be paid at closing or settlement. Note that a purchaser will be required to pay at closing a prorated portion of the Common Expenses allocated to the Unit purchased if the assessment to Unit Owners has commenced.

ARTICLE XX
DESCRIPTION OF LIENS AND OTHER MATTERS
AFFECTING TITLE TO THE PLANNED UNIT DEVELOPMENT
DEEDS OF TRUSTS AND OTHER MISCELLANEOUS MATTERS

Declarant has executed a bond, secured by an irrevocable stand-by letter of credit issued by Centra Bank, 450 Foxcroft Ave., P.O. Box 1109, Martinsburg, West Virginia, 25402, in the amount of \$786,303.00, in favor of the County Commission of Jefferson County, West Virginia, a public body, as security for the completion of the streets and roads and other improvements shown on the plat of survey dated March 16, 2007, prepared by Dewberry & Davis, LLC, entitled, "Final Plat Showing Lots 1-20 & Lot 21 (Residue) North Hills at Cress Creek," and recorded in the aforesaid Clerk's Office in Plat Book 24 at Page 29, *et seq.* The amount secured thereby may be reduced according to the terms of the bond and the deed of trust securing bank loans and advances as work on the improvements is completed. Upon completion of all bonded improvements, the deed of trust will be released to that extent.

In addition to the foregoing, Home Hill Corporation has outstanding an arrangement with Centra Bank, a West Virginia Corporation which includes access to lines of credit. As of September, 2007, the outstanding balance of those loans exceeded Two Million Seven Hundred Thousand (\$2,700,000.00), with a total credit available of Five Million Dollars (\$5,000,000.00). The foregoing arrangements are secured by a Deed of Trust on the real property of the Declarant.

Upon the Closing on the purchase of a Unit, there will be no liens or deeds of trusts, mechanic's liens, judgments, federal or state tax liens, or other liens of record which would affect the legal title or constitute a cloud on title to the Unit sold.

The West Virginia Office of Environmental Health Services has issued a permit to the Corporation of Shepherdstown to install necessary water and sewer lines to serve 20 residential customers in North Hills at Cress Creek. For a discussion of the charges for water and sewer hook-ups, see Article XXVII, Utilities.

An affiliate of Declarant owns a tract of approximately 80 acres to the east and south of the Common Interest Community. That owner has retained an easement or right of way across North Hills Circle and Briar Mountain Drive for access to and from Shepherd Grade Road (W.V. Rt. 5). No representation is made regarding the contribution that owner will be required to make to the maintenance and repair of those roads or other Common Elements. Approximately 75 acres of this parcel immediately abutting the Common Interest Community on the south and east is subject to a conservation easement by which all development rights to the property within the area of the easement, except as specifically reserved, were conveyed to the Potomac Conservancy, a non-profit corporation, and were thereby terminated. The terms of the conservation easement are set forth in a Deed of Scenic and Conservation Easement dated December 22, 2003, and recorded in the aforesaid Jefferson County Clerk's Office in Deed Book 983, at Page 521. The owner of the property retained the right to develop three residential home sites within the area of the easement. Access to one of those home sites will be by right of way reserved across North Hills Circle and Briar Mountain Drive. No representation is made regarding the contribution to the maintenance and repair of those roads or other Common Elements the owner of the that home site will be required to make for the use of that right of way.

The owner of a 115.693 acre tract to the east of the Common Interest Community has a non-exclusive right of way across North Hills Circle and Briar Mountain Drive for access to and from Shepherd Grade Road (WV Sec. Rt. 5). Under current zoning and subdivision ordinances, that property could be subdivided to create 15 residential lots. If so developed, the owners of those lots would have use of that right of way for access to and from the lots to Shepherd Grade Road. No representation is made regarding the contribution to the maintenance and repair of the those roads or other Common Elements the owners of those lots will be required to make for the use of that right of way.

There are two retaining walls on Lot 20 that will be maintained by the Association as a common expense of the Association. The first abuts on North Hills Circle along the western lot line of Lot 20. The second surrounds the base of an electric power pole along the northern lot line. Declarant has reserved an easement over Lot 20 for access to these retaining walls for installation, repair and maintenance. There is also an electric utility easement for an existing overhead electrical power line along the northern lot line of Lot 20, as shown on the final plat for North Hills Subdivision at Cress Creek. Guy wires attached to one of the power line poles are anchored on Lot 20 as part of that easement. There is a sewer pump station located within an easement area on the Storm Water Management (SWM) Lot adjacent to the eastern boundary of Lot 20. There is an easement for access to the sewer pump station along a gravel lane located on property of the Cress Creek Golf Course immediately adjacent to the northern lot line of Lot 20. Both of these easements are shown on the final plat of the North Hills Subdivision at Cress Creek. Daily maintenance of the

sewer pump station will require access for travel along this lane by vehicles from the Corporation of Shepherdstown.

The Storm Water Management (SWM) Lot shown on the final plat of the North Hills Subdivision at Cress Creek is a Common Element of the Association. It is not a Unit. There will be a wet storm water management pond on this lot, which means that a minimum water level in the pond will be maintained. Management and maintenance of the SWM, including the storm water management pond, will be the responsibility of the Association.

ARTICLE XXI
JUDGMENTS OR PENDING LITIGATION

There are no judgments against the Declarant and there is no pending litigation.

ARTICLE XXII
RESTRAINTS ON ALIENATION

All Units in the Common Interest Community shall be used for single family residence purposes only and are otherwise subject to the restrictions contained in Article X of the Declaration. Certain prohibitions against the alteration and relocation of boundaries of Units and against the subdivision of Units are contained elsewhere in this Offering Statement and the Declaration. The Declaration provides that no ownership or occupancy of any Units may be in time shares. Resales of Units are subject to the delivery of resale certificates. There are no other restraints on alienation of the Units except as otherwise provided in the Declaration, Bylaws, or the Act.

ARTICLE XXIII
RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS

Subject to other provisions of law, including land use and health regulations, the boundaries between Adjoining Units may be relocated by an amendment to the Declaration upon application to the Association by the Owners of the Units effected by the relocation. Such relocation shall be permitted unless the Executive Board determines within thirty (30) days after the receipt of the application that the relocations of the boundaries are unreasonable. The procedure for accomplishing the relocation of a boundary is set forth in Article XIII of the Declaration.

ARTICLE XXIV
EASEMENTS AND RIGHTS OF WAY

All easements or licenses to which the Common Interest Community is presently subject or in which it has any rights are recited in Article VIII, XI, Schedule A-1, and other provisions of the Declaration. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to its Development Rights and other special Declarant Rights under Article VIII of the Declaration.

Access to the North Hills Subdivision at Cress Creek will ultimately be served by two (2) routes. The first route (that closest to Shepherdstown) will be a fifty (50) foot wide right-of-way over the existing road known as Fernbank Drive leading from West Virginia Route 5. Fernbank Drive is owned by Declarant, subject to the rights of the of the Unit Owners of the Fernbank Subdivision at Cress Creek to use Fernbank Drive. Declarant will convey Fernbank Drive to the Fernbank Subdivision at Cress Creek Unit Owners Association (FUOA) at some point in the future. Maintenance of Fernbank Drive will be the responsibility of FUOA. The second route is north of the first entrance and known as Howard Farm Road (previously known as Turner Lane). Howard Farm Road is also a fifty (50) foot wide right-of-way. Declarant does not, and will not, own the property over which Howard Farm Road or the extension thereof as it connects to Greystone Drive traverses. That property is owned by an adjacent development being developed by someone other than the Declarant. A right-of-way agreement has been obtained from such adjoining property owner for the location and maintenance of the right-of-way over their property for the second access to North Hills Subdivision at Cress Creek from West Virginia Route 5, which is also known as Shepherd Grade Road. Other adjoining and non-adjoining landowners also have the right to use part of this right-of-way for access to their property located to the north and west of the Common Interest Community. The adjacent owner(s) has the responsibility of maintaining Howard Farm Road up to the connector portion. However, the Fernbank Subdivision at Cress Creek Unit Owners Association, Inc. shall be solely responsible for the cost of maintaining this right-of-way from the extension of Howard Farm Road also referred to as the Connector Road to the Fernbank Subdivision at Cress Creek. Although both rights-of-way are required to be fifty (50) feet in width in order to comply with the Jefferson County Subdivision Ordinance, the paved portion of each right-of-way may be less than fifty (50) feet in width. The maintenance of the connector road prior to development of the adjacent parcel is the responsibility of Fernbank Subdivision at Cress Creek Unit Owners Association or Declarant, as provided herein, until the adjacent property is developed at which time such developer and its assigns will assume that responsibility. The responsibility of maintaining Howard Farm Road belongs to the owner thereof adjacent to Fernbank Subdivision at Cress Creek. The maintenance of Greystone Drive will be the responsibility of the Fernbank Subdivision at Cress Creek Unit Owners Association or Declarant as provided herein.

The Common Interest community has been granted an easement over Howard Farm Road and its connector road with Greystone Drive as well as Greystone Drive by easement dated January 28, 1997, granted by William R. Howard, et al., to Home Hill Corporation as recorded in the aforesaid County Clerk's Office in Deed Book 857, at Page 700, and in Deed Book 857, at Page 711. The easements granted over Howard Farm Road, the connector road between Howard Farm Road and Greystone Drive, and Greystone Drive are non-exclusive and may be used by persons other than Unit Owners. Maintenance of Howard Farm Road is the responsibility of the Owner of Howard Farm Road. The responsibility for the maintenance of Howard Farm Road, as extended, or what is commonly referred to as the "connector road" between Turner Lane and Greystone Drive, will be the responsibility of the Declarant and/or the Fernbank Subdivision at Cress Creek Unit Owners Association, Inc., until such time as the adjacent property owner develops the adjacent property. At that time, responsibility for maintenance of the connector road will belong to the adjacent property owner or an association established by the adjacent property owner for such purpose. The

responsibility for the maintenance of Greystone Drive is the responsibility of the Declarant and/or the Fernbank at Cress Creek Unit Owners.

In 2005, Declarant entered into an agreement with the Fernbank Subdivision at Cress Creek Unit Owners Association regarding the payment or reimbursement to that Association for the use by Unit Owners within the North Hills Subdivision of Fernbank Drive for access to Shepherd Grade Road (WV Secondary Rt. 5). (Note: At the time of the Agreement, the planned name of the Common Interest Community was Edgewood Subdivision at Cress Creek. The name was subsequently changed to North Hills Subdivision during the planning review process.) A third party to the agreement was MMD, L.L.C. (MMD), an entity affiliated with Declarant and at that time the owner of the real estate which is now the Common Interest Community, MMD having subsequently conveyed the property to Declarant.) Paragraph 2 of the Agreement provides as follows:

Each lot in the North Hills Subdivision shall pay .375% (7.5% divided by 20 Units) of the total of the following five line items: roads, beautification, utilities, insurance, and accounting/administration expenses, established in the annual Fernbank Subdivision at Cress Creek Unit Owners Association, Inc. [FUOA] budget as the contribution of each North Hills Unit Owner for the use and maintenance of Fernbank Drive. (By way of example, for the 2004 budget the assessment would be \$135.44 per unit). This assessment shall be embodied within any sales agreement between MMD and purchasers of lots within North Hills Subdivision and covenants of North Hills so as to create a legal basis for the collection and/or lien by FUOA to ensure payment thereof. (A copy of the complete Agreement is included as Exhibit 6 to this Public Offering Statement.)

This payment is referred to in Sec. 1.8(v) of the Declaration as the "Fernbank Assessment". Declarant has elected to defer the initial assessment of the Common Interest Community until January 1, 2008. No Unit Owner will be assessed for the Fernbank Assessment until that time.

There are two adjacent easements appurtenant to the Common Interest Community located on property outside the boundaries of the Common Interest Community. Both easements are shown on the final plat of North Hills Subdivision at Cress Creek. The first is a storm water management (SWM) easement containing approximately 0.584 acres immediately adjacent to the eastern boundary of the storm water management lot of the Common Interest Community. The second is an offsite grading and access easement containing approximately 0.385 acres immediately adjacent to the northern lot line of Lot 20. There is a gravel road along this easement for access to the sewer pump station located within an easement area on the storm water management (SWM) lot. The sewer pump station will be dedicated to the Corporation of Shepherdstown. Daily access to the pump station by maintenance vehicles of the Corporation of Shepherdstown will take place along the gravel road.

As described in Article XX above, an affiliate of Declarant owns a tract of approximately 80 acres adjacent to the Common Interest Community on the east and the south. Seventy five (75) acres of that tract are subject to a Conservation Easement and cannot be developed, except for three residential home sites. The owner of the property retained a non-exclusive easement or right of way

for access to the 80 acre tract from Shepherd Grade Road (WV Secondary Rt. 5) over North Hills Circle and Briar Mountain Drive in a deed recorded in the aforesaid Clerk's Office in Deed Book 1028, at Page 410. One of the residential home sites within the Conservation Easement area will use that easement or right of way for access to that property. No representation is made as to the contribution of that property owner to the upkeep and maintenance of the streets in the Common Interest Community which are subject to that easement or right of way.

As also described in Article XX above, the owner of a 115.693 acre tract to the south and east of the Common Interest Community has a non-exclusive easement or right of way over North Hills Circle and Briar Mountain Drive pursuant to a non-exclusive easement granted in a Deed of Easement recorded in the Jefferson County Clerk's Office in Deed Book 979, at page 576. Under current Jefferson County zoning and subdivision ordinances, that property could be subdivided to create up to 15 residential lots. The owners of those lots would have access to Shepherd Grade Road by way of that easement. No representation is made as to the contribution of those lot owners to the upkeep and maintenance of the streets in the Common Interest Community which are subject to that easement or right of way.

ARTICLE XXV

ZONING AND OTHER LAND USE REQUIREMENTS AFFECTING THE COMMON INTEREST COMMUNITY AND THE UNITS

The Jefferson County Commission ("County Commission") has adopted a Zoning and Development Review Ordinance ("Zoning Ordinance") for all unincorporated areas of Jefferson County, West Virginia, which became effective October 5, 1988. The property on which the Common Interest Community is to be developed falls within the rural agricultural district established under the Zoning Ordinance. It was, therefore, necessary to obtain a conditional use permit from the Jefferson County Planning Commission in order to proceed with the Common Interest Community. A conditional use permit was issued by the Planning Commission on April 1, 2005. The final plat for the Common Interest Community was approved by the Department of Planning, Zoning and Engineering on July 12, 2007. The Subdivision complies with all applicable provisions of the Zoning Ordinance. Remaining development of the Common Interest Community must comply with Zoning Ordinance requirements. The area immediately surrounding the Common Interest Community is contained partly within the residential growth district and partly within a rural agricultural district established by the Zoning Ordinance. Prior to construction of a structure (as defined in the Zoning Ordinance) on a Unit, a zoning certificate must be obtained from the Department of Planning, Zoning and Engineering. The application is discussed below.

The Jefferson County Commission has adopted a Subdivision Ordinance ("Subdivision Ordinance") applicable to all residential subdivisions in unincorporated areas in Jefferson County, West Virginia. The Subdivision complies with all applicable provisions of the Subdivision Ordinance.

The Jefferson County Commission has adopted an Improvement Location Permit Ordinance

("I.L.P. Ordinance") which requires the issuance of an Improvement Location Permit prior to the construction of any building. A building is defined as "any structure which is permanently affixed to the land and has one or more floors and a roof". An Improvement Location Permit may also be required for certain alterations made to existing structures. The ordinance further provides a monetary penalty for violation. Application for an Improvement Location Permit is discussed below.

The I.L.P. Ordinance does not specifically address what evidence is required of an applicant for an Improvement Location Permit for a Unit, but the applicant must show that central water and sewer service is available at the building site. It is the current practice of the Planning Commission to require a letter from the provider of such utility service stating that water/sewer utility service is available to the building site, such letter is to be attached to the Application.

The Jefferson County Commission has adopted a Flood Plain Management Ordinance applicable to all unincorporated areas of Jefferson County, West Virginia, which lie within a one hundred (100) year flood plain. This ordinance may apply to certain areas within the Common Interest Community. The ordinance applies to all land-altering activities and to the construction of buildings and other improvements within those unincorporated areas of the county identified as subject to the waters of the one hundred (100) year flood plain.

The Jefferson County Commission has adopted the State Building Code ("Building Code") authorized under W.V. Code Sec. 29-3-5b and as published in W.V. Code of State Rules Sec. 87-4-1. Application for a building permit is discussed below.

Prior to the commencement of construction of a single family residence, an Application for Plan Examination, Building Permit, Improvement Location Permit and Zoning Certificate ("Application") must be filed with and approved by the Jefferson County Department of Planning, Zoning and Engineering. It is a single application form. The Application must be accompanied by payment of an application fee. The application is available from the Department of Planning, Zoning and Engineering at 110 East Washington Street, Charles Town, West Virginia, 25414, telephone (304) 725-2998.

The Jefferson County Commission has adopted an Impact Fee Procedure Ordinance ("Impact Fee" Ordinance). This Ordinance requires payment of an impact fee prior to the construction of a new residential structure. The impact fee for new residential construction in unincorporated areas of the county includes four categories of fees: (1) schools; (2) law enforcement; (3) parks and recreation; and (4) fire and emergency medical services (EMS). The impact fee must be paid within seven (7) days of the issuance of a building permit. A residential impact fee schedule is issued effective on April 1 of each year, and may include an inflation adjustment. As of April 1, 2007, the total residential impact fee for a single family residence was Twelve Thousand One Hundred Fourteen Dollars (\$12,144.00). The breakdown by category is as follows:

Schools	\$10,655
Law Enforcement	135
Parks & Recreation	751
Fire & EMS	<u>603</u>
TOTAL	<u>\$12,144</u>

This amount may be adjusted for inflation on April 1, 2008, and on April 1 of each year thereafter based on a formula set forth in the ordinance. Information about the impact fee, including the current schedule, is available from the Jefferson County Department of Capital Planning and Management, 114 East Washington Street, Charles Town, West Virginia, 25414, telephone (304) 728-3331.

All Units within the Common Interest Community are subject to the Zoning Ordinance, Subdivision Ordinance, Location Improvement Permit Ordinance, Impact Fee Ordinance, Building Code and Flood Plain Management Ordinance as outlined herein. Copies of each ordinance are available from the Jefferson County Planning Commission, P. O. Box 338, 104 East Washington Street, Charles Town, West Virginia 25414. The telephone number is (304) 728-3228.

ARTICLE XXVI
FINANCING OF PURCHASE OF UNITS BY PURCHASER

Purchasers may obtain financing from any lender or may pay the entire purchase price, less deposits, made in cash at settlement.

ARTICLE XXVII
SETTLEMENT COSTS AND EXPENSES

Declarant will pay the cost of deed preparation and the State or local excise tax on the privilege of transferring real estate, and that portion, if any, of the settlement charges allocated to Declarant under any Unit purchase financing arranged by Declarant. Common Interest expenses and real estate taxes will be apportioned to date of closing. All other costs of settlement shall be paid by the purchaser.

Certain of the fees and charges described above are subject to change at the discretion of the institutions and professionals imposing them. The Declarant has no control over the fees or other similar matters.

Each purchaser shall be required to reimburse Declarant at settlement on a pro rata basis for any prepaid Association dues or expenses, real estate taxes, assessments, and utility charges all of which are to be adjusted as of the date of settlement. Such reimbursement will be on a pro rata/per diem basis as of the date of closing.

ARTICLE XXVII
UTILITIES

Central water and sewer service will be provided to the Common Interest Community initially by Declarant and subsequently by the City of Shepherdstown. Because the Declarant has waived its right to reimbursement and has constructed utility lines to each Unit, the hook-up charge of One Thousand Dollars (\$1000.00) for water service and Five Hundred Dollars (\$500.00) for sewer service has been waived for each Unit owner by the Corporation of Shepherdstown. However, the Town of Shepherdstown will collect a capacity capital cost fee of Twenty Four Hundred Dollars (\$2,400.00) at the time of commencement of water service and Two Thousand Five Hundred Sixty Two Dollars (\$2,562.00) at the time of commencement of sewer service. Lateral lines for both water and sewer service are extended to the Unit boundary line. Electrical service will be provided and billed to each Unit individually by Allegheny Power Company. Telephone service will be available from Frontier, a local telephone company. Cable television is provided by the local cable television company. Natural gas is not available.

ARTICLE XXVIII
REAL ESTATE TAXES

Jefferson County real property taxes are assessed annually on July 1 for the following calendar year. Taxes are due and payable on a half-year basis, the first half being due and payable on September 1 of each year and the second half being due and payable on March 1 of the following year. For example, real property taxes for the calendar year 2007 are based on assessments made July 1, 2006. The first half year of 2007 taxes are due and payable September 1, 2007, and the second half taxes are due and payable March 1, 2008. A payment made before its due date receives a two and one-half percent (2-1/2%) discount. A first half payment made after September 30 and a second half payment made after March 31 is subject to an incremental monthly penalty assessment. A payment becomes delinquent after May 1 of the subsequent year (i.e., 2007 taxes become delinquent if not paid by May 1, 2008).

ARTICLE XXIX
CONTRACTS OR LEASES OF UNIT OWNERS ASSOCIATION

There are presently no contracts or leases between the Association and any other party. Declarant will act as management agent.

ARTICLE XXX
TERMS OF OFFERING

Offering Price:

The initial offering prices of all of the Units has been determined, but price changes may be made during negotiations between Declarant and purchaser prior to execution of a Unit Purchase

Agreement, or at any time by Declarant (and purchasers may pay different prices for similar Units) without notice and without requiring amendment of this Public Offering Statement.

Closings:

Closings shall be held at such place as Declarant designates in the Unit Purchase Agreement or at such place as the parties may mutually agree. The Unit Purchase Agreement sets forth specific details with regard to conveyance of title, closing, closing costs and expenses and other terms and conditions pertaining to the purchase of a Unit. Closing costs will be borne partially by Declarant, but primarily by the purchaser as previously set forth under "Settlement Costs and Expenses" herein. A copy of the Unit Purchase Agreement is attached hereto as Exhibit "3."

Remedies upon Default:

Upon failure of Declarant to comply with any of the terms and conditions of the Unit Purchase Agreement, a purchaser's sole remedy will be the cancellation of the agreement and the obtaining of a refund of any deposits made in connection therewith. Upon the failure of a purchaser to comply with the terms and conditions of the Unit Purchase Agreement, Declarant may declare a default and, at its option, retain all amounts previously paid by purchaser or seek to enforce the agreement by action for specific performance or for damages for breach. Discussion of the parties' rights with regard to rescission is set forth in the "Statutory Notice" at the beginning of this Offering Statement.

A purchaser may not assign a Unit Purchase Agreement without the prior written consent of Declarant. A Unit Purchase Agreement may be modified only by a writing signed by purchaser and Declarant.

ARTICLE XXXI
DESCRIPTION OF INSURANCE COVERAGE

The Act, the Declaration and the Bylaws require that commencing no later than the time of the first conveyance of a Unit to a person other than Declarant, the Association shall maintain, to the extent reasonably available, the following insurance coverages:

(1) Property insurance insuring against fire and extended coverage perils and containing other endorsements on the Common Elements, and to the extent reasonably available on the Units as conveyed at settlement. Such insurance shall cover the interests of the Association, Executive Board, all Unit Owners and their mortgagees and the Declarant and its affiliates, as their interests may appear as the same relates to the Common Areas. The cost of all such insurance shall be a Common Expense. This property insurance policy will not insure the Unit or improvements to a Unit. In addition, the policy will not insure personal property supplied or installed by the Unit Owner. Unit Owners are encouraged to carry insurance covering personal property and covering any property or improvements to a Unit as well as on the Unit itself. Inasmuch as it is anticipated that the only

property which will be insurable under this category, will be the mailboxes, street signs, lighting and bus shelters, the Association may decide that it is more cost effective to set aside a reserve for replacements rather than pay premiums to insure the foregoing.

(2) Liability insurance, including medical payments insurance, in an amount of at least One Million Dollars (\$1,000,000.00) per occurrence covering all claims and occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

This policy will not insure against liability arising from an accident or injury occurring within a Unit or as a result of the act or negligence of a Unit Owner, his family, guests or invitees. A Unit Owner should obtain additional insurance to insure against such liability by purchasing the same at his expense.

(3) The Association has obtained Errors and Omissions Insurance for the Executive Board of the Association, to such extent as may be deemed appropriate by the Executive Board of the Association. The expense of such insurance will also be a Common Expense.

ARTICLE XXXII
TERMS AND LIMITATIONS OF ANY WARRANTIES
PROVIDED BY DECLARANT INCLUDING STATUTORY WARRANTIES

Except as otherwise expressly indicated hereunder, the warranties made herein shall apply to any construction conducted by Declarant or an affiliate of Declarant. The provisions regarding the warranty of title contained hereinafter apply in all events. If the Declarant or an affiliate of Declarant engages in the construction of homes, then, Declarant provides the statutory warranty against structural defects required by Section 36B-4-113 of the Act for those dwelling Units constructed by Declarant or an affiliate of Declarant as follows:

(1) Definition. As used herein “structural defects” means those defects in components constituting any structure constructed upon a 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. Nothing herein shall be construed to make the Declarant responsible for any items of maintenance relating to the structures constructed upon Units or Common Elements.

(2) General Rule. Declarant warrants against structural defects in any structure constructed by Declarant or an affiliate of Declarant on any Unit for two (2) years from the date each is conveyed to a bona fide Purchaser and in all of the Common Elements for two (2) years. The two (2) years shall begin as to each of the Common Elements whenever the Common Element has been completed or, if later:

(a) As to any Common Element within any additional real estate or portion thereof, at

the time the first Unit therein is conveyed to a bona fide purchaser; and

(b) As to any Common Element within any other portion of the Common Interest Community at the time the first Unit herein is conveyed to a bona fide purchaser.

Limitations on Warranties:

The following statute of limitations for warranties is provided in Section 36B-4-1 16 of the Act:

(1) A judicial proceeding for breach of any express or statutory warranty must be commenced within six (6) years after the cause of action accrues. The parties may agree to reduce the period of limitation to not less than two (2) years. With respect to a Unit that may be occupied for residential use, an agreement to reduce the period of limitation must be evidenced by a separate instrument executed by the purchaser.

(2) Subject to subsection (3) below, a cause of action for breach of any express or statutory warranty, regardless of the purchaser's lack of knowledge of the breach, accrues:

(a) As to each Common Element, at the time the Common Element is completed or, if later, (i) as to a Common Element that may be added to the Common Interest Community or portion thereof, at the time the first Unit in any additional real estate developed to which such Common Element is a part, is conveyed to bona fide purchaser, or (ii) as to a Common Element within any other portion of the Common Interest Community at the time the first Unit in the Common Interest Community is conveyed to a bona fide purchaser.

(b) As to a residential dwelling, constructed by Declarant or an affiliate of Declarant, at the time the purchaser to whom the warranty is first made enters into possession if a possessory interest was conveyed or at the time of acceptance of the instrument of conveyance if a non-possessory interest was conveyed.

(3) If any express or statutory warranty explicitly extends to future performance or duration of any improvement or component of the Common Interest Community, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

(4) Inasmuch as Declarant does not anticipate that it will construct or contract for construction of any residences or buildings on the Units, there are no warranties, as to defects in the materials or construction of such residence or residences, either express or implied, which apply to Declarant. Declarant hereby expressly negates the application of any warranties, either express or implied, to any residences which Declarant or an affiliate of Declarant does not construct.

Warranty of Title:

Declarant will convey good and marketable title to each Unit by general warranty deed, free and clear of all liens and encumbrances other than those described elsewhere in this Offering Statement and the Declaration.

Declarant makes no warranties except as described and set forth in this Offering Statement.

Declarant will deliver to each Unit Owner any manufacturer's warranties on appliances or furnishings conveyed with a residence dwelling constructed and furnished by Declarant or an affiliate of Declarant with each residence so constructed and furnished. Further, Declarant will deliver to the purchaser of any residence dwelling constructed by Declarant or an affiliate of Declarant any warranties given by subcontractors, manufacturers, or suppliers with regard to heating and electrical systems, plumbing and roofing.

ARTICLE XXXIII
SPECIAL DECLARANT RIGHTS

The Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community:

- (a) To complete Improvements indicated on Plats and Plans filed with the Declaration;
- (b) To exercise a Development Right reserved in the Declaration;
- (c) To maintain sales offices, management offices, signs advertising the Common Interest Community, and models;
- (d) To use easements through the Common Elements for the purpose of making Improvements within the Common Interest Community or within real estate which may be added to the Common Interest Community.
- (e) To appoint or remove an officer of the Association or an Executive Board member during a period of Declarant control subject to the provisions of Section 8.10 of the Declaration.
- (f) The real estate to which the special Declarant Rights specified in Sections (a) through (e) above is shown on Schedule A-6 of the Declaration.

As long as the Declarant is a Unit Owner, the Declarant, its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model Unit or sales office or management office.

Subject to the provisions of the Declaration, a Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights.

The Declarant reserves the right to post signs and displays in the Common Elements to promote sales of Units, and to conduct general sales, administrative and maintenance activities in a manner as will not unreasonably disturb the rights of Unit Owners.

The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove from the property any and all goods and improvements used in the development, marketing and construction, whether or not they have become fixtures.

Declarant reserves the right to control the Unit Owners' Association, as provided in Article VIII of the Declaration, and as described in the Section entitled "Appointment and Election of Officers and Members of the Executive Board-Period of Declarant Control", under Article XVII of this Public Offering Statement.

LIMITATIONS ON SPECIAL DECLARANT RIGHTS

Unless sooner terminated by an amendment to the Declaration executed by the Declarant, any Special Declarant Right may be exercised by the Declarant until the earlier of the following: so long as the Declarant (i) is obligated under any warranty or obligation, (ii) holds a Development Right to create additional Units or Common Elements, (iii) owns any Unit; or (iv) owns any Security Interest in any Units; or (v) for fifteen (15) years after recording the Declaration, whichever is earliest. Earlier termination of certain rights may occur by statute.

ARTICLE XXXIV UNUSUAL AND MATERIAL CIRCUMSTANCES, FEATURES AND CHARACTERISTICS OF THE COMMON INTEREST COMMUNITY AND THE UNITS

North Hills Subdivision at Cress Creek has been developed in conjunction with the development of a golf course known as Cress Creek Country Club, which is owned by Declarant. Purchasers of Units will NOT be entitled to any special membership privileges as a result of purchasing a Unit in North Hills Subdivision at Cress Creek. If Unit purchasers are interested in obtaining membership at Cress Creek Country Club, they will need to apply for the same pursuant to the same terms and conditions as would be applicable to any member of the general public. Notwithstanding the foregoing however, the Declarant and Cress Creek Country Club may, but is/are not required to, as part of a promotional activity, grant trial membership to a purchaser of a Unit purchasing such unit directly from Declarant. Essentially, this membership will be similar to that category of membership defined as a social membership within the Cress Creek Country Club Rules

and Regulations. Such membership, if available, extends for a one (1) year period, commencing at the time of the Closing of the purchase of a Unit. No dues will be charged for such one (1) year trial membership period. The trial member will however, be responsible for the payment of costs and expenses for greens fees, cart fees, swimming, food and charges of a similar nature. At such time as such trial membership expires, the trial member may then apply for permanent membership under the selected category by paying the then current initiation fee.

ARTICLE XXXV
GENERAL INFORMATION

Declarant reserves the right to change the provisions and contents of this Public Offering Statement as they may apply to prospective purchasers not under contract to purchase a Unit. As to any purchaser, however, any information pertinent to the Common Interest Community not contained in this Public Offering Statement must not be relied on. **NO PERSON HAS BEEN AUTHORIZED BY THE DECLARANT TO MAKE ANY REPRESENTATION NOT EXPRESSLY CONTAINED HEREIN.**

Declarant shall promptly amend this Public Offering Statement to report any material change in the information set forth herein.

IN WITNESS WHEREOF, Home Hill Corporation, a West Virginia Corporation, has hereunto set its hand as of the effective date hereinabove set forth.

(CORPORATE SEAL)

HOME HILL CORPORATION,
a West Virginia Corporation

By: Margaret M. DeLaney
Its President

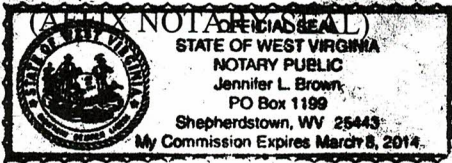
ATTEST:


Its Secretary

STATE OF WEST VIRGINIA,

COUNTY OF JEFFERSON, to-wit:

The foregoing instrument was acknowledged before me this 10 day of October, 2007,
by MARGARET M. DRENNEN, PRESIDENT of HOME HILL CORPORATION, a West
Virginia Corporation, on behalf of said Corporation.



Jennifer L. Brown
Notary Public

My Commission Expires: March 8, 2014