

**LEGENDS AT GROVE CITY
CONDOMINIUM**

PUBLIC OFFERING STATEMENT

TABLE OF CONTENTS

	<u>PAGE NO.</u>
The Condominium Concept.....	
.....	2
The Declarant.....	
.....	3
A Brief Description of the Condominium.....	
.....	3
The Condominium Documents.....	
.....	4
Association Budget.....	
.....	6
Fees Due From Purchasers at Closing.....	
.....	6
Liens and Encumbrances.....	
.....	7
Limited Warranty.....	
.....	7
Judgments and Lawsuits.....	
.....	8
Deposits.....	
.....	8
Restraints on Alienation.....	
.....	8
Insurance Coverage.....	
.....	8
Fees and Charges.....	
.....	9
Completion of Improvements.....	
.....	9
Reserves.....	
.....	9
Structural Components and Major Utility Installations.....	
.....	9
Estimated Budget.....	

.....	11
Supplemental Public Offering Statement.....	
.....	13

EXHIBITS

The following Exhibits are attached to this Public Offering Statement:

	<u>Exhibit No.</u>
Declaration of Condominium.....	1
By-Laws	2
Rules and Regulations	3
Condominium Deed	4
Plats and Plans.....	5
Agreement of Sale	6
Condominium Unit Reservation Agreement.....	7

PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM LEGENDS AT GROVE CITY
CONDOMINIUM

ADDRESS OF CONDOMINIUM: PINE TOWNSHIP & LIBERTY TOWNSHIP
MERCER COUNTY, PENNSYLVANIA

NAME OF DECLARANT: LEGENDS AT GROVE CITY, L.L.C.

ADDRESS OF DECLARANT: 10521 PERRY HIGHWAY, SUITE 300
WEXFORD, PENNSYLVANIA 15090

EFFECTIVE DATE OF PUBLIC
OFFERING STATEMENT: JUNE 15, 2004

THIS PUBLIC OFFERING STATEMENT IS BEING PRESENTED BY THE SELLER IN AN ATTEMPT TO DISCLOSE AND SUMMARIZE INFORMATION PERTINENT TO CONSIDERATION OF A PURCHASE OF A CONDOMINIUM UNIT AT THE LEGENDS AT GROVE CITY CONDOMINIUM. SINCE IT IS AN ABBREVIATED FORMAT, PROSPECTIVE PURCHASERS SHOULD ALSO REFER TO THE COMPLETE DOCUMENTS REFERRED TO IN THIS BOOKLET FOR COMPLETE INFORMATION.

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

IF DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT, AND ANY AMENDMENTS THEREIN, TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM DECLARANT DAMAGES AS PROVIDED IN SECTION 3406 (c) OF THE PENNSYLVANIA UNIFORM CONDOMINIUM ACT IN AN AMOUNT EQUAL TO FIVE (5%) PERCENT OF THE SALES PRICE FOR SUCH UNIT, UP TO \$2,000.00, OR IN AN AMOUNT EQUAL TO THE DAMAGES SUFFERED BY THE PURCHASER, WHICHEVER IS GREATER. A MINOR OMISSION OR ERROR IN THE PUBLIC OFFERING STATEMENT OR AN AMENDMENT THERETO THAT IS NOT WILLFUL SHALL ENTITLE THE PURCHASER TO RECOVER ONLY ACTUAL DAMAGES, IF ANY.

IF A PUBLIC OFFERING STATEMENT IS RECEIVED BY THE PURCHASER MORE THAN FIFTEEN (15) DAYS BEFORE SIGNING A CONTRACT, HE/SHE CANNOT CANCEL THE CONTRACT, EXCEPT THAT IN ACCORDANCE WITH SUBPARAGRAPH (1) HE/SHE SHALL HAVE THE RIGHT TO CANCEL THE CONTRACT BEFORE CONVEYANCE WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF ANY AMENDMENT THERETO THAT WOULD HAVE A MATERIAL AND ADVERSE EFFECT ON THE RIGHTS OR OBLIGATIONS OF THAT PURCHASER.

THE CONDOMINIUM CONCEPT

I. The term "Condominium" refers to a form of property ownership. Property which is owned as a Condominium contains two distinct types of property, Units and Common Elements. Units are portions of a Condominium which are set aside for individual ownership. In the case of a Residential Condominium such as the **Legends at Grove City Condominium**, the Units are the separate living quarters which may be used only by the Unit Owner. Common Elements, on the other hand, are all portions of the Condominium which are not included within the Units. The Common Elements constitute the land and those portions of the structures which support, enclose or service the Units.

A Residential Condominium Unit Owner is, at the same time, both the sole owner of the portion of a building which enclose his or her living quarters and one of many mutual owners ("tenants in common") of common facilities which service his or hers and other living quarters and of common areas which a Unit Owner may use and enjoy along with owners of other Units.

Each Unit Owner owns an "undivided interest" in the Common Elements. An undivided interest is a fractional or percentage share of ownership of all of the Common Elements. In this Condominium, the undivided interest is a percentage and is hereinafter referred to as a "Percentage Interest." The ownership of an undivided interest gives the Unit Owner the right to participate in the control and management of all the Common Elements but this ownership carries with it the obligation of each Unit Owner to pay his or her share of the normal expenses of operating and maintaining all of the Common Elements. It is the ownership of an undivided interest in the Common Elements which sets condominium ownership apart from other forms of property ownership.

Certain Common Elements are designated Limited Common Elements. A Limited Common Element is a portion of the Common Elements assigned to a particular Unit. The Unit Owner of the Unit to which a Limited Common Element is assigned has an exclusive right to use the Limited Common Element.

THE DECLARANT

2. The Legends at Grove City Condominium is being built and created by the **Legends at Grove City, L.L.C.** with business offices located at 10521 Perry Highway, Suite 300, Wexford, Pennsylvania 15090.

DESCRIPTION OF THE CONDOMINIUM

3. **The Legends at Grove City Condominium** is located partly in Pine Township and partly in Liberty Township, Mercer County, Pennsylvania at Center Church Road. If all Phases are completed, the Condominium will consist of approximately 68.5 acres of land on which will be constructed sixty (60) single family buildings (Units), twenty-three (23) multi-unit buildings. Phase I will consist of approximately 67.5 acres containing sixty (60) single family Units, twenty-one (21) multiple buildings containing seventy-six (76) units, along with a community center building with a swimming pool. The remaining land, if developed, will consist of one (1) acre of land containing two (2) multi-unit buildings having four (4) units each with a maximum of 144 number of units. Declarant has retained the right, at its sole option, to add to the Condominium all or any part of the additional or Convertible Real Estate, to construct thereon and add additional Units to the Condominium. Portions of the Convertible Real Estate may be added by Declarant without the need for the approval of any Unit Owner, at any time and from time to time during the ten (10) years following recording of the Declaration. If fully developed in accordance with Declarant's present plans, the **Legends at Grove City Condominium** will consist of sixty (60) single family buildings or Units, some of which may contain up to five (5) bedrooms, and twenty-three (23) multi-unit buildings which will have between two (2) and four (4) units each, some being (2) bedroom Units and some (3) bedroom Units situated upon approximately 68.5 acres of ground. The type and mix of Units within any building constructed on the Convertible Real Estate will be determined by Declarant. The Units in all the buildings will have outdoor patios. The outdoor Common Elements will contain among other things, a community center building, a pool, and outdoor parking spaces.

If fully developed, the Percentage Interest allocated to each unit will be 1/144. Each Unit shall be entitled to one (1) vote. The Percentage Interest shall be calculated in the following manner: 100% divided by the number of Units sold by the Declarant to third parties. This is based on the use of all Convertible Real Estate being added to the Condominium property. The initial construction phase, Phase I, will only be one hundred thirty-six (136) Units. Presently, Declarant intends to add eight (8) additional Units to the Condominium property as Phase II. If additional Phases are added to the Condominium, the Owners of Units in Phase I will automatically have their share in the Common Elements of the Condominium reduced in proportion to the total number of Units in the Condominium.

Water service to the Condominium will be provided by Pine Township and Liberty Township. Sewer service will be provided by same. Maintenance of the water and sewer lines from the public street to the Units will be the responsibility of the Association; however, such lines will be installed in accordance with the specifications and under the supervision of the above-named

providers of utilities. Water and sewer lines located in the public streets will be dedicated to the municipality for maintenance. Electricity service will be provided by Penn Power and natural gas service will be provided by Dominion and will be individually metered to each Unit.

Declarant intends to commence construction of the Phase I of the Condominium on or about May 27, 2004. Barring unforeseen delays, such buildings are scheduled for completion in December, 2005. However, such a schedule is merely an estimate and is subject to a number of variables not within Declarant's control, such as the pace of sales activity (which in turn depends in large part on the state of the economy, interest rates, availability of construction and permanent financing, etc.) and construction delays, any of which could accelerate or slow down the schedule.

The Declarant has agreed to construct and complete various recreation areas within the **Legends at Grove City Condominium**, consisting of a community center building and pool.

THE CONDOMINIUM DOCUMENTS

4. The Condominium Documents consist of the Declaration, By-laws, and Association Rules and Regulations. The Declaration is the formal, legal document which creates the Condominium. It establishes and expresses the existence of the Condominium, records the Plats and Plans showing all Units, defines certain terms, and allocates the Percentage Interests in the Common Elements and Common Expenses and the votes at meetings of Unit Owners. Except for amendments affecting the addition of Convertible Real Estate, withdrawal of Withdrawable Real Estate or conversion of Convertible Real Estate, which may be enacted by Declarant alone, the Declaration may be amended only by a vote of seventy-five (75%) percent or more of the Unit Owners, subject in certain instances to the concurrence of the holders of mortgages encumbering the Units.

The By-laws are the governing document setting forth the methods of management of the Condominium. The Condominium, including Common Elements, is to be managed by the Association of Unit Owners through an Executive Board.

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

Units may be used by the Unit Owners only for residential purposes, subject to Declarant's rights to use Units which it owns as sales or management offices or models.

Under the Declaration, the Executive Board may promulgate Rules and Regulations governing the use of the Condominium. Copies of the Rules and Regulations must be delivered to the Unit Owners. If at the date of delivery of this Public Offering Statement any Rules and Regulations have been enacted, they are attached hereto.

Unit Owners may place certain mortgages on their Units. Generally, a mortgage is permitted if it is given to the seller of the Unit, the Declarant or a financial institution.

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

The Association is comprised of all of the Unit Owners. The daily affairs of the Association are to be managed by the Executive Board, which shall consist of three (3) persons. All members of the Executive Board, shall initially be appointed by Declarant. Within sixty (60) days after one-quarter (1/4) of the Units have been sold, the Unit Owners shall elect one member of the Executive Board. Within sixty (60) days after one-half (1/2) of the Units have been sold, the Unit Owners shall elect a second member of the Executive Board. Declarant will also have the right to remove any of its appointees at any time. Within one hundred and eighty (180) days after three-quarters (3/4) of the Units have been conveyed to persons other than the Declarant, but not later than seven (7) years after the date of recording of the Declaration, a meeting of Unit Owners will take place, and the Unit Owners (including Declarant) will then elect the entire Executive Board. After the meeting of Unit Owners, all members of the Executive Board must be either Unit Owners or partners, shareholders, or officers of entities that are Unit Owners or designees of Declarant. An annual meeting of Unit Owners will take place each year in the same month as the first meeting of the Unit Owners at a date and time to be designated by the Executive Board. Votes of Unit Owners will be allocated as one (1) vote per Unit. The Declarant will be entitled to one vote per Unit allocated to Units which it owns.

The Executive Board is required to meet at least once every three (3) months. Its responsibilities include the approval of capital expenditures, the establishment of a budget for each fiscal year and the assessment against each Unit and Unit Owner of a portion of the funds necessary to operate under such budget. A majority of all Unit Owners may, however, reject any budget or capital expenditure approved by the Executive Board within thirty (30) days after such approval.

Each Unit's assessment for Common Expenses shall be in proportion to its Percentage Interest. Assessment for Common Expenses are made by the Executive Board and are payable by the Unit Owners. If the amount assessed and collected by the Executive Board during any year is not sufficient to cover the actual Common Expenses of the Condominium, the Executive Board may make additional assessments for the fiscal year. Any assessment which a Unit Owner does not pay, when due, becomes a lien against the Unit Owner's Unit enforceable under the Act and in accordance with the By-laws, which provide for a late charge of five (5%) percent of each overdue assessment as well as interest at the rate of fifteen (15%) percent per annum or such other rate as the Executive Board may determine. In addition, if the Executive Board wishes to expend or borrow monies or incur expenses in an amount greater than ten (10%) percent of the aggregate of all budgeted expenses for the fiscal year, such expenditures must have the prior approval of a majority of all Unit Owners, at either a regular meeting or a meeting called for such purpose.

The Executive Board elects its own officers and may employ a professional management agent for the Condominium on terms which the Executive Board may determine.

Prior to such time as the Executive Board is elected by the Unit Owners, Declarant will not cause the Association to enter into (I) any management contract, employment contract or lease of recreational or parking areas or facilities or (II) any contract or lease (a) to which Declarant or an affiliate of Declarant is a party or (b) which cannot be canceled by the Association without cause on ninety (90) or fewer days notice.

ASSOCIATION BUDGET

5. A Projected Budget for the Association for the twelve-month period from September 1, 2004 to August 31, 2005 is attached hereto. This budget was prepared by Declarant based on occupancy of one hundred forty-four (144) Units throughout the one year period. The budget includes a reserve for repairs and replacements. The budget also sets forth the projected monthly Common Expense assessments for each type of Unit. The initial assessment will be \$135.00 per month for Units designated as Villas, and \$105.00 per month for Units designated as Single Family Units. Declarant will pay the difference between the assessments due and payable and the actual expenses until all Units have been sold up to a maximum of Ten Thousand (\$10,000.00) Dollars. Any monies advanced by Declarant to cover such budget shortfall shall be considered as a loan from Declarant to the Association and shall bear interest at seven (7%) percent per annum and shall be prepaid when the Association has sufficient revenue or not later than when all Units have been sold. Any expenses paid or provided by the Declarant which may later constitute Common Expenses may be reimbursed to the Declarant upon affirmative vote of the Executive Board.

A reserve fund will be established by a working capital contribution by the Purchaser in the amount of one (1) month's assessment for each Unit payable at the closing on the sale of the Unit. Thereafter an annual charge of one month's assessment per Unit will be made for capital improvements and deposited to a separate capital improvements fund. Monies in the capital improvements fund shall be used exclusively for capital improvements upon a vote of seventy-five (75%) percent of all Unit Owners.

FEES DUE FROM PURCHASERS AT CLOSING

6. At the closing of each Unit, the Purchaser may be required to provide, in addition to payment for the Condominium Unit purchased, sufficient funds to pay for one-half (1/2) of the real estate transfer tax stamps; a pro-rata share of property taxes; title insurance, if any; settlement and recording fees; any charges relating to the Purchaser's financing of the Unit; and the contributions to capital improvement referred to above.

LIENS AND ENCUMBRANCES

7. The Condominium property is presently subject to existing acquisition and development loans held by First National Bank of Pennsylvania.

The Condominium is subject to an easement for construction and sales activities in favor of Declarant (as set forth in the Declaration) and to easements for utility services as set forth in the Declaration. There are no other liens and encumbrances affecting the Condominium as of the effective date of this Public Offering Statement. On the conveyance of a Unit to a Purchaser, the Unit will be released from any mortgage given by the Declarant on the Condominium property.

LIMITED WARRANTY

8. Declarant warrants to provide and pay for the full cost of labor and materials for any repair or replacement of structural defects in components constituting any Unit or a Common Element which reduce the stability 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 within a period of two (2) years from the date the deed to the Buyers for that Unit is filed for record. The two (2) year period for Common Elements, shall commence whenever that Common Element is completed or at the time the first Unit is conveyed to a bonafide Purchaser, whichever is the earliest date. The Declarant's warranties do not apply to intentional destruction or misuse by the Unit Owner. Declarant for itself, its agents, general contractor or real estate broker makes no implied warranties including without limitation, warranties of merchantability fitness for purpose or habitability and except as specifically set forth herein confines it warranties to those provided by statute pursuant to 68 Pa.C.S.A. §3411(b). The Purchaser hereby waives all rights, claims and actions against the Declarant, its general contractor, its agents or brokers for any defects in the Unit except those arising pursuant to the warranties set forth herein or by the statute.

The Declarant warrants to provide and pay for the full cost of labor and materials for any repair or replacement of the roof and structural components, and mechanical, electrical, plumbing, and common service elements serving the Condominium as a whole, occasioned or necessitated by defects in material or workmanship that arise within a period of two (2) years from the date the Common Element is completed.

In the case of ranges, refrigerators, disposals, and other appliances, if installed and furnished by the Declarant as part of the Unit, the Declarant assigns to the Buyers all express and implied warranties of the manufacturer, and the Declarant's warranty with respect to such items is limited to the manufacturer's warranty.

EXCEPT AS SET FORTH ABOVE, THERE ARE NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED WITH RESPECT TO THE UNITS OR THE COMMON ELEMENTS.