

ADAMS RIDGE CONDOMINIUM, A CONDOMINIUM
PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM: ADAMS RIDGE CONDOMINIUM, A
CONDOMINIUM

ADDRESS OF CONDOMINIUM: ONE ADAMS RIDGE BOULEVARD
MARS, PENNSYLVANIA 16046

NAME OF DECLARANT: ADAMS RIDGE, INC.

ADDRESS OF DECLARANT: 1150 BRODHEAD ROAD
MONACA, PENNSYLVANIA 15061

EFFECTIVE DATE OF PUBLIC
OFFERING STATEMENT: DECEMBER 6, 1996

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

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

IF DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS THERETO TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT DAMAGES AS PROVIDED IN SECTION 3406(c) OF THE PENNSYLVANIA UNIFORM CONDOMINIUM ACT (68 PA. C.S.A. §3201 ET SEQ) IN AN AMOUNT EQUAL TO 5% 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.

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

OWNERSHIP OF PROPERTY

1. At the effective date of this Public Offering Statement, the Declarant is the fee simple owner of the property to be submitted to Adams Ridge Condominium, A Condominium, under the Pennsylvania Uniform Condominium Act ("Act").

THE CONDOMINIUM CONCEPT

2. 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 ADAMS RIDGE CONDOMINIUM, A 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. In general, 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 encloses 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, subject to the Act and the condominium documents, 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 the same percentage of the expenses of operating and maintaining the common elements as the Unit Owner's Percentage Interest in the Common Elements. See description of Condominium in Section 4 below for explanation of limited common expenses. It is the coupling of exclusive ownership of a unit with the shared ownership of 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.

DECLARANT

3. ADAMS RIDGE, INC., DECLARANT is a Pennsylvania corporation. The address of the principal office of the Declarant is 1150 Brodhead Road, Monaca, Pennsylvania 15061, with a local office at One Adams Ridge Boulevard, Mars, Pennsylvania 16046.

Declarant may from time to time maintain offices and models in the common element portion of the condominium in connection with the management, sale and rental of units owned by the Declarant. At any one time Declarant may maintain two offices and two model units to be located within a four-plex unit building and two offices and two model units within any two townhouse unit buildings, either in a Unit or in the Common Elements. The Declarant expressly reserves the right to remove such common elements of the condominium at the time that Declarant ceases to be a unit owner as provided for in 68 Pa. C.S.A. 3217.

DESCRIPTION OF THE CONDOMINIUM

4. ADAMS RIDGE CONDOMINIUM, A CONDOMINIUM is located in Adams Township, Butler County, Pennsylvania, along Club Side Drive, Mars, Pennsylvania 16046. ADAMS RIDGE CONDOMINIUM, A CONDOMINIUM will consist of approximately 25.14 acres of land on which there may ultimately be constructed 14 "Four-Plex" buildings, which will contain both two and three-bedroom Units and 18 "Townhouse" buildings ranging from four to seven units per building and containing two and three-bedroom Units, if all Convertible Real Estate is utilized for additional units. A "Four-Plex" or "Quad-Plex" shall mean a unit contained within a generally rectangular building of four units with the front entrances of some units facing in a different direction from the front entrances of other units in the building. A "Townhouse" shall mean a residential building containing at least four (4) units, but not more than seven (7) units, each having a separate entrance and being attached to each other by continuous vertical walls without opening. A "Standard Townhouse" shall mean a Townhouse containing not more than one thousand eight hundred (1,800) square feet of Living Area. A "Large Townhouse" shall mean a Townhouse containing more than one thousand eight hundred (1,800) square feet of Living Area. The "Living Area" is defined as the areas of a unit heated with central heating as of the date of the first conveyance of the Unit to an Owner other than the Declarant. Percentage interests of Unit Owners in the Common Elements will be determined as set forth below based on these three categories of Units.

In no event will ADAMS RIDGE CONDOMINIUM, A CONDOMINIUM contain more than a total of 156 Units, but may contain less. The Units in all the buildings may have ground floor outdoor patios or above-ground decks. The outdoor Common Elements will not contain any recreational amenities, but will contain open space and outdoor parking spaces. The condominium will initially consist of seven (7) Standard Townhouse units as set forth in Exhibit B of the Declaration. Declarant has retained the right to add to the condominium additional units (the total number of units in the condominium will not exceed 156) at any time or times within seven years following the recording of the Declaration. This is called a Flexible Condominium with "Convertible Real Estate". The Convertible Real Estate is identified on the plats as "Convertible Real Estate" and is shown in Exhibit B to the Declaration. Use of particular parking spaces may be assigned by the Declarant or the Association to individual unit owners for their exclusive use as Limited Common Elements.

Recreational facilities are available to Unit Owners as automatic members of the Adams Ridge Homeowners Association which include a swimming pool, tennis courts and community building. Adams Ridge Condominium is Village VIII of the Adams Ridge Plan which is a master planned community consisting of various housing types including single family detached dwellings, townhouses, four-plexes and garden apartments. Each Unit Owner as a member of the Adams Ridge Homeowners' Association must pay an initial assessment of \$250.00 plus monthly dues. The current monthly dues are \$55.00. The dues and assessment to the Adams Ridge Homeowners' Association are in addition to any condominium fees and assessments due pursuant to the Declaration of Condominium. A copy of the Adams Ridge Declaration of Covenants, Conditions and Restrictions and all amendments are attached as Exhibit A and the By-laws of the Adams Ridge Homeowners' Association is attached as Exhibit B.

As Units are added to the Condominium, the percentage interests shall be adjusted using the following formula:

$$100 \div [(\# \text{ of four-plex units} \times .9) + (\# \text{ of standard townhouses}) + (\# \text{ of large townhouses} \times 1.1)] = \% \text{ interest of standard townhouses ("Standard Unit")}$$

To establish the percentage interest for four-plexes take the Standard Unit % interest times .9. To establish the percentage interest for large townhouses multiply the Standard Unit % interest by 1.1.

As additional units are incorporated into the Condominium, the percentage interest of all units will be adjusted downward in accordance with the foregoing and will be

set forth in an Amendment to the Declaration of Condominium. The percentage interest in the Common Elements, as such percentage interest is adjusted in accordance with the foregoing, and as additional units are added to the Condominium, is the percentage of general Common Expenses required to be paid by each unit owner.

An example of the foregoing is set forth in Exhibit C.

In addition, all unit owners are required to pay for the following as Limited Common Expenses:

- a) maintenance, repair and replacement of decks, balconies and patios based on the category of the unit.
- b) snow removal from private ways and driveways based on the category of the unit.
- c) maintenance, repair and replacement of private ways and driveways based on the following categories: quad-plex units, units with front entry garages, units with rear entry garages.

The budget attached hereto as Exhibit D contains line items for these Limited Common Expenses.

Water service will be provided by Adams Ridge, Inc. In the future, water will be individually metered and Unit Owners will be charged for their water usage. A possibility exists that water service may be provided by the Adams Ridge Homeowners Association, a public water company or a municipal authority. Sewage service will be provided by the Breakneck Creek Regional Authority. Maintenance of the water and sewer lines leading from the water and sewage main lines as shown on the plats and plans to the Units will be the responsibility of the Condominium Association; however, such lines will be installed in accordance with the specifications and under the supervision of the above-named providers of utilities. Electric service for heating and air conditioning will be provided by Penn Power Company and will be individually metered to each Unit. Natural gas service for heating shall be provided by Equitable Gas Company and shall be individually metered to each unit.

Declarant has entered into an agreement with NVR Homes, Inc., trading as Ryan Homes, as a designated builder to construct and market a portion of the Units and may enter into additional contracts with Ryan Homes or others including affiliates of the Declarant to construct the balance of the Units. These builders are referred to as "Designated Builders". In order for you to have a unit constructed, you must use a Designated Builder. Declarant has a written agreement with Ryan Homes whereby Ryan

Homes has the exclusive right to construct 56 Four-Plex units and 20 Townhouse units in the Condominium.

Declarant, through its Contractors, has commenced construction of one (1) townhouse building. Barring unforeseen delays, such building is scheduled for completion on or before December 31, 1996. Thereafter, Declarant itself or through its Designated Builders intends to commence construction of additional buildings as Units in other buildings are completed or under construction. Completion of all 156 Units is expected by December 31, 1999. 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.

Declarant may construct 14 Four-Plex buildings with units consisting of two or three bedrooms and 18 townhouse buildings with four to seven units per building with either two or three bedrooms. The precise mix of two or three bedroom units will be established as real estate is converted and units added. Declarant at this time does not intend to market the units as rentals or to investors although there is a possibility that an investor or investors may purchase units.

THE CONDOMINIUM DOCUMENTS

5. 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 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 conversion of Convertible Real Estate, or other amendments which are authorized by the Act, which may be enacted by Declarant alone, the Declaration may be amended only by a vote of 75% or more of the Unit Owners, subject in certain instances to the concurrence of the holders of mortgages encumbering the Units. All owners of a unit collectively shall be entitled to one vote on any issue brought before the condominium association for vote of its members. Cumulative voting is not permitted for any purpose whatsoever. The Condominium may be terminated only by agreement of unit owners of units to which 80% of the votes are allocated.

The By-laws are the governing document setting forth the method 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 as Exhibits E and F 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. These Rules and Regulations may govern, among other things, the ownership and enjoyment of pets in the Property. The Adams Ridge Homeowners' Association documents also permit the adoption of Rules and Regulations which may govern, among other things, the use of the recreation facilities and community building.

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 expenses of maintaining the Common Elements are part of the assessment upon the Unit Owners. In addition, under the Declaration, each Unit Owner is responsible for routine maintenance with respect to the Limited Common Areas appurtenant to that Owner's Unit.

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 five (5) persons. All members of the Executive Board shall be appointed by Declarant until 39 units have been conveyed by Declarant to others, whereby within 60 days the Unit Owners other than Declarant shall hold a meeting to elect two members of the Executive Board to replace two appointees of Declarant. Declarant will also have the right to remove any of its appointees at any time. Upon the earlier of (a) seven (7) years from the date of the first conveyance of a

Unit to a person other than Declarant; or (b) the sale or conveyance to purchasers of 117 Units, a meeting of Unit owners will take place, and the unit owners (including Declarant) will then elect the entire Executive Board. In the event (b) becomes applicable, the election must take place within 180 days. 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. Upon the election of the full Executive Board by the Unit owners, there shall be one Board Member from among the Four-Plex unit owners, one Board Member from the townhouse Unit Owners on Club Side Drive and one Board Member from the townhouse Unit Owners on Lost Valley Drive, formerly Eclipsed Mist Drive. The remaining two Board Members can be Unit Owners from anywhere in the Association. Annual meetings of Unit Owners will take place on or about November 1st of each year. The Declarant will be entitled to vote all votes allocated to Units which it owns.

Each Unit shall have one vote. If a Unit is owned by more than one owner, it shall be entitled to one vote among them as they may determine to be cast pursuant to Section 3310 of the Act.

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.

Each Unit's assessment for Common Expenses shall be in proportion to its Percentage Interest. Limited Common Expenses shall be assessed in accordance with the Declaration and pursuant to Section 3314 (c) of the Act. Assessments for Common Expenses and Limited 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 period after 80 Units have been sold is not sufficient to cover the actual Common Expenses or Limited Common Expenses, as the case may be, of the Condominium, the Executive Board may make additional assessments for the fiscal year, subject to the Unit Owner's right to approve the amended budget. Any assessment which a Unit Owner does not pay, when due, becomes a lien against the Unit Owner's Unit enforceable under the Condominium Act, 68 Pa. C.S.A. 3201 et seq. and in accordance with the Declaration, 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 twenty (20%) 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 area or facilities or (ii) any contract or lease to which Declarant or an affiliate of Declarant is a party or which cannot be canceled by the Association without cause on ninety (90) or fewer days, notice.

ASSOCIATION BUDGET

6. A Projected Budget for the Association for the twelve-month period from January 1, 1997, to December 31, 1997, is attached hereto as Exhibit "D". This budget was prepared by Declarant based on an average occupancy of 25 Units throughout the one year period. Under the Declaration, the Declarant is responsible for any shortages during the preceding time period. The budget includes a reserve for repairs and replacements. The budget also sets forth the projected monthly Common Expense and Limited Common Expense, as appropriate, assessments for each type of Unit. The initial assessment will be \$100.00 month for Four-Plexes, \$85.00 per month for Standard Townhouses and \$115.00 per month for Large Townhouses. Declarant will pay the difference between the assessments due and payable and the actual expenses until 80 Units have been sold. Any expenses paid or provided by the Declarant which may later constitute Common Expenses or Limited Common Expenses are identified on the Projected Budget as such.

Working capital for the Association will be established by a contribution by the purchaser in the amount of \$100.00 for Four-Plexes, \$85.00 for Standard Townhouses and \$115.00 for Large Townhouses payable at closing. This is in addition to monthly assessments. These contributions will be used by the Association for working capital until all units are sold.

LIENS AND ENCUMBRANCES

7. 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. Attached as Exhibit G are the liens and encumbrances affecting the Condominium as of the effective date of this Public offering Statement.

WARRANTY

8. Declarant will give each Owner a "Limited Structural Warranty" which is attached as Exhibit H. The Declarant warrants against "structural defects" in each of the Units for two (2) years from the date each is conveyed to a bona fide purchaser and all of the Common Elements for two (2) years. "Structural defects" means those defects in components constituting any Unit or Common Element which reduce the stability or safety of the structure below accepted standards or restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration or replacement. The Declarant is not responsible for any items of maintenance relating to the Units or Common Elements.

The warranty described above will expire as follows:

(i) as to Units, this warranty begins on the date that the Unit is conveyed to the purchaser and continues for a period of two years thereafter; and

(ii) as to each Common Element as to which the Declarant makes this warranty, the warranty begins on the later of (a) the date of completion of such Common Element, or (b) as to any Common Element within any Convertible Real Estate or portion thereof, the date the first Unit therein is conveyed to a bona fide purchaser, and continues for a period of two years thereafter.

EXCEPT FOR THE LIMITED STRUCTURAL WARRANTY AND THE WARRANTIES TO BUYER UNDER THE PA CONDOMINIUM ACT AND AS OTHERWISE MAY BE PROVIDED BY LAW, THERE IS NO EXPRESS WARRANTY OF ANY KIND GIVEN BY THE SELLER IN CONNECTION WITH THE CONSTRUCTION OR SALE OF THE UNIT RELATING TO THE QUALITY OR CONDITION OF ANY PART OF THE UNIT OR COMMON ELEMENTS. FOR UNITS CONSTRUCTED BY RYAN HOMES, BUYER SHALL RECEIVE FROM RYAN HOMES THAT LIMITED WARRANTY DESCRIBED IN THE RYAN HOMEOWNERS' MANUAL AND THE SAME WARRANTIES

AS SET FORTH IN SECTION 3411 OF THE PA UNIFORM CONDOMINIUM ACT. FOR UNITS CONSTRUCTED BY DECLARANT OR A DESIGNATED BUILDER OTHER THAN RYAN HOMES, BUYER MAY RECEIVE AN ADDITIONAL LIMITED WARRANTY ON APPLIANCES AND CERTAIN OTHER ITEMS OF EQUIPMENT AND PERSONAL PROPERTY. NO OFFICER, EMPLOYEE OR AGENT OF SELLER IS AUTHORIZED TO GRANT ANY OTHER EXPRESS WARRANTY OR REPRESENTATION.

JUDGMENTS

9. There are no judgments against the Association and there are no lawsuits pending against the Condominium of which the Declarant has any knowledge.

DEPOSITS

10. Any deposits made in connection with the purchase of a Unit shall be held in accordance with the provisions of Section 3408 of the Condominium Act. Any deposit will be returned to the purchaser if he or she cancels an Agreement of Sale pursuant to Section 3406 of the Condominium Act.

RESTRAINTS ON ALIENATION

11. There are no restraints on alienation of any portion of the Condominium. However, Unit owner may not lease or sublease his or her Unit except as provided in the Declaration or give a mortgage on his or her Unit except as permitted by the Declaration. No Unit may be leased for less than a one (1) year term other than Units owned by the Declarant which have not been previously occupied. No portion of a Unit (less than the entire unit) may be leased for any period. All leases must be written and must provide that failure to comply with the Condominium Documents and Rules and Regulations constitutes a default under the lease.

INSURANCE COVERAGE

12. The Act requires that the Executive Board and the Association obtain and maintain insurance coverage for the Condominium as follows:

(a) Property insurance against all risks of physical loss commonly insured against. Such insurance shall cover both the Units and Common Elements, but not improvements and betterments installed by Unit owners. Such improvements and

betterments are not covered by this insurance and each unit owner should maintain separate insurance for such property. The Association's hazard insurance must be in an amount equal to 80% of the cash value of the property insured, exclusive of land, excavations, foundations and similar items. All proceeds of this policy will be payable to the Association.

(b) Comprehensive liability insurance insuring Unit owners (in their capacity as Unit Owners), members of the Executive Board and any management agent against any liability to the public or to the Unit Owners, their tenants or invitees. Initial limits of liability shall be \$1,000,000.00 for death or bodily injury to one person and \$1,000,000.00 for property damage in any single occurrence. Each unit owner should maintain his own liability insurance for his own unit and unit owner's personal property insurance.

The Association may carry any other policies of insurance it deems appropriate to protect the Association or Unit Owners.

In the event that any building is damaged or destroyed, such damage or destruction shall be repaired by the Association, using the available proceeds of insurance, unless 80% of the Unit owners, including every owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild as provided in Section 3312(g) of the Condominium Act. The cost of repair or replacement in excess of insurance is a Common Expense.

FEES AND CHARGES

13. Except for the Common Expense assessments referred to above, Declarant does not expect to cause or have any other charges imposed on the Unit Owners for the use of the Common Elements or other facilities related to the Condominium. Each Unit owner will also automatically be a member of the Adams Ridge Homeowners Association and shall be obligated to pay any assessment made by the Adams Ridge Homeowners Association. The current assessment is \$55.00 per month plus a \$250 initial assessment.

COMPLETION OF IMPROVEMENTS

14. Declarant has not made arrangement to (i) assure Declarant of the availability of financing for the completion of the items labeled "MUST BE BUILT" OR "NEED NOT BE BUILT" on the final Drawings or to (ii) assure the availability of casualty insurance proceeds for the restoration of such items if they are damaged or destroyed.

RESERVES

15. The projected budget includes reserves for replacement or repair of Common Elements and Limited Common Elements, as appropriate. In the future, the Declarant or the Executive Board may increase or decrease the amount of such reserves for such purposes.

STRUCTURAL COMPONENTS AND MAJOR UTILITY INSTALLATIONS

16. All structural components and major utility installations in the Condominium will be new when installed and will have been constructed within 24 months immediately preceding the date on which the Building of which they are a part is annexed to the Condominium. The useful life (based solely on manufacturer's representations and reasonable expectations) and estimated cost of replacing such items for each Building (based on 1996 costs) is as follows:

<u>COMPONENT OR UTILITY</u>	<u>USEFUL LIFE</u>	<u>REPLACEMENT COST PER UNIT</u>		
		<u>FOUR PLEXES</u>	<u>STANDARD TOWNHOUSES</u>	<u>LARGE TOWNHOUSES</u>
Roof	20 years	\$580.00	\$650.00	\$ 715.00
Paving	7 years	\$918.00	\$500.00	\$1,250.00
Concrete Lateral Walkways	10 years	\$110.00	\$125.00	\$ 130.00
Gutters/Downspouts	15 years	\$1,700.00	\$1,900.00	\$2,090.00
Siding				
Brick				
Decks	20 years	\$2,160.00	\$2,400.00	\$2,650.00
Patios				
Utilities	40 years	\$250.00	\$200.00	\$200.00

GENDER

17. Wherever used, if applicable, the singular shall include the plural, the plural the singular and the use of gender shall be applicable to all genders.

PERMITS

18. Declarant has obtained Site Plan approval for the Townhouses on August 28, 1995, and for the Four-Plexes on November 27, 1995, from Adams Township. Additional permits issued for the project, issuing authority and date of issue are as follows:

<u>PERMIT</u>	<u>ISSUING AUTHORITY</u>	<u>DATE</u>	<u>EXPIRATION DATE</u>
Subdivision/Site Plan	Adams Township	8/28/95	8/28/2000
Subdivision/Site Plan	Butler County	6/21/95	None
Site Plan	Adams Township	11/27/95	11/27/2000
DEP-NPDES	Commonwealth of PA	9/13/95	None

Each building will require a building permit to be issued prior to commencement of construction. Upon completion but prior to occupancy, each unit must be issued an occupancy permit by Adams Township.

OUTSTANDING VIOLATIONS

19. There are no outstanding notices of violation from any governmental agency on the condominium property.

HAZARDOUS CONDITIONS

20. The Declarant has no knowledge of:

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

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

c) Any finding or action recommended to be taken in the report of any such investigation or by any governmental body,

agency or authority in order to correct any hazardous conditions and any action taken pursuant to those recommendations.

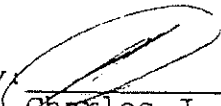
Information concerning environmental conditions affecting the condominium site may be obtained from:

Department of Environmental
Protection
1012 Water Street
Meadeville, PA 16335
(814) 724-8557

United States Environmental
Protection Agency
814 Chestnut Street
Philadelphia, PA 19107
(800) 438-2474

IN WITNESS WHEREOF, the undersigned Declarant has adopted this Public Offering Statement for Adams Ridge Condominium, A Condominium as of the 6th day of December 1996.

DECLARANT: ADAMS RIDGE, INC.

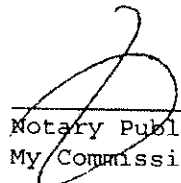
By: 
Charles J. Betters, President

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF *Beaver* : S.S.
:

On this the *6th* day of *December*, 1996, before me, a Notary Public, the undersigned officer, personally appeared **CHARLES J. BETERS**, known to me (or satisfactorily proven), who acknowledged himself to be the President of **ADAMS RIDGE, INC.**, a Pennsylvania corporation, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as President.

In witness whereof, I hereunto set my hand and official seal.



Notary Public
My Commission Expires:

Notarial Seal
Margie Farinacci, Notary Public
Monaca Boro, Beaver County
My Commission Expires Aug. 3, 1999
Member, Pennsylvania Association of Notaries