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DECLARATION OF HERITAGE ESTATES PHASE I

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RECORDER OF DEEDS

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DECLARATION
Heritage Estates Phase I

ARTICLE I
SUBMISSION; DEFINED TERMS

Section 1.1 Declarant; Property; County; Name. Heritage Estates, L.P., a Pennsylvania limited partnership ("Declarant"), owner in fee simple of the real estate described on Exhibit "A" attached hereto and incorporated herein by reference, located in the Municipality of Murrysville, Westmoreland County, Pennsylvania, hereby submits the real estate, including all easements, rights and appurtenances thereunto belonging, the improvements erected or to be erected thereon and the Buildings to be erected thereon (collectively, the "Property") to the terms and conditions of this Declaration, and hereby creates with respect to the Property a planned community, to be known as Heritage Estates Phase I (the "Community").

Section 1.2 Application of Uniform Planned Community Act. The Community is exempt from compliance with all of the terms and conditions of the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S.A. §5101 et. seq. (the "Act"), as amended, pursuant to Section 5102(a)(2) of the Act, and shall only be subject to and required to comply with those provisions of the Act listed in said Section 5102(a)(2).

Section 1.3 Easements, Licenses and Reserved Rights.

1.3.1 Included among the easements, rights and appurtenances referred to in Section 1.1 above are those recorded easements and licenses listed on Exhibit "B" attached hereto.

1.3.2 Declarant has granted an easement, which may not yet have been recorded, to Ralph and Nona Latta, as owners of Parcel A in the Subdivision (as hereinafter defined) to use the Common Facilities (as hereinafter defined) in the Community, which easement is perpetual in duration.

1.3.3 Declarant has an option to obtain title to Parcel B as shown on the Subdivision of the Community. If Declarant satisfies the conditions necessary to exercise that option and develops Parcel B as either a condominium or as a planned community, Declarant intends to construct certain Common Facilities thereon. Upon filing of a Declaration for said Parcel B, Declarant shall reserve an easement for the Unit Owners of the Community to use the Common Facilities developed on Parcel B upon satisfaction of the following conditions:

a) The Association agrees to pay a pro rata share of the Common Expenses for the Common Facilities to which the Community has access;

b) The Unit Owners agree to be bound by any rules and regulations adopted relative to the Common Facilities.

Section 1.4 Defined Terms.

1.4.1 The following terms shall have specific meanings herein as follows:

- a. "Association" means the Heritage Estates Phase I Community Association.
- b. "Building(s)" means any building(s) constructed on a Unit by or at the direction of the Unit Owner, or constructed on the Common Facilities by or at the direction of the Declarant and/or the Association and included or to be included in the Property.
- c. "Bylaws" shall mean the Bylaws of the Association, as the same may be adopted and amended from time to time.
- d. "Class A Member" means every Class A Unit Owner, who shall, upon becoming a Class A Unit Owner, become a Class A Member of the Association. If more than one person or entity is a Class A Unit Owner for the same Unit, all shall be Class A Members of the Association, with such voting rights as are provided in the Bylaws of the Association.
- e. "Class A Unit Owner" means an owner of a Unit other than a Class B Unit Owner, and the Declarant, until such time as the Declarant no longer has any ownership interest in any Units. Any person purchasing a Unit from a Class B Unit Owner after construction of a single family residential Building thereon shall be a Class A Unit Owner
- f. "Class B Member" means every Class B Unit Owner, who shall, upon becoming a Class B Unit Owner, become a Class B Member of the Association. If more than one person or entity is a Class B Unit Owner for the same Unit, all shall be Class B Members of the Association, with such membership rights as are provided in the Bylaws of the Association.
- g. "Class B Unit Owner" means an owner of a Unit who purchased said Unit with the intent of either: i) constructing a single family residential Building thereon for sale to a third party (a contractor); or ii) having a single family residential Building constructed thereon in which the Unit Owner would reside.
- h. "Common Expenses" means expenditures made and financial liabilities incurred by the Association, together with all allocations to reserves.
- i. "Common Facilities" means all real estate within the Community which is owned by or leased to the Association, but not including any Units. Common Facilities in the Community at the time of this Declaration include open space. The parkland area shown on the Subdivision of Heritage Estates Phase I is dedicated to the Municipality of Murrysville ("Municipality"), but the Municipality has reserved the

right to transfer the parkland to the Association at any time. If the Municipality does transfer the parkland to the Association, it would become a part of the Common Facilities.

j. "Community" means the Community described in Section 1.1 above.

k. "Declarant" means the Declarant described in Section 1.1.

l. "Declaration" means this document, as the same may be amended from time to time.

m. "Executive Board" means the Executive Board of the Association.

n. "Identifying Number" means the number assigned to the Unit for address and other purposes, which shall be unique for each Unit in the Community.

o. "Insurance Expenses" means the expenses incurred by the Association for insurance on the Common Facilities of the Community. Insurance Expenses will be assessed against both the Class A Unit Owners and the Class B Unit Owners.

p. "Percentage Interest" means the undivided ownership interest held by each Class A Unit Owner in the Common Facilities appurtenant to each Unit as set forth in Exhibit "B" attached hereto and incorporated herein by reference, as the same may be amended from time to time.

q. "Property" means the Property described in Section 1.1 above.

r. "Rules and Regulations" means such Rules and Regulations as are adopted by the Executive Board of the Association and affect the use and occupancy of the Community and the Common Facilities.

s. "Subdivision" means the Plan of Subdivision for the Community filed of record in the Office of the Recorder of Deeds of Westmoreland County, Pennsylvania in Plan Book Volume 91, Pages 1711-1715, a copy of which is attached hereto as Exhibit "C".

t. "Unit" means that portion of the Community designated for separate ownership or occupancy.

u. "Unit Owner" means Declarant and such other persons or entities which hold title to one or more Units in the Community, including Class A Unit Owners and Class B Unit Owners. The term does not include a person(s) or entity(ies) having an interest in a Unit solely as security for an obligation.

ARTICLE II
ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND
COMMON EXPENSE LIABILITIES; UNIT IDENTIFICATION
AND BOUNDARIES; CONVERSION OF MEMBERSHIP
FROM CLASS A TO CLASS B; MAINTENANCE RESPONSIBILITIES;
VOTING RIGHTS

Section 2.1 Percentage Interests.

2.1.1 Once all Units are owned by Class A Unit Owners, each Unit owned by a Class A Unit Owner shall have a Percentage Interest in the Common Facilities, and be required to pay a share of the Common Expenses associated therewith, equivalent to such Percentage Interest. Attached as Exhibit "D" hereto is a list of all Units by their Identifying Numbers and stating the Percentage Interest associated with such Unit when all Units are owned by a Class A Unit Owners.

2.1.2 Class B Unit Owners have no Percentage Interest in the Common Facilities, but shall be responsible for a pro rata share of all Insurance Expenses.

Section 2.2 Conversion of Unit Ownership from Class B to Class A.

2.2.1 A Class B Unit Owner who is a contractor shall only remain as a Class B Unit Owner until the earlier of: i) resale of the Unit to a third party after construction of a single family residential Building thereon; or ii) eighteen (18) months after becoming a Class B Unit Owner.

2.2.2 A Class B Unit Owner who purchased the Unit with the intent of residing therein shall only remain a Class B Unit Owner until the earlier of: i) transfer of the Unit to a Class A Unit Owner; or iii) eighteen (18) months after becoming a Class B Unit Owner.

2.2.3 The Class B Unit Owner who has not satisfied the conditions stated in subsection i) of paragraphs 2.2.1 or 2.2.2 above, as the case may be, shall, at the expiration of said eighteen (18) month period, automatically become a Class A Unit Owner, subject to all rights and obligations of Class A Unit Owners thereafter.

Section 2.3 Voting Rights. Each Unit held by a Class A Unit Owner shall have one (1) vote in the Association. Cumulative voting shall not be permitted for the election of members of the Executive Board. Units held by Class B Members shall not have voting rights in the Association, but shall be given notice of all meetings of the Association and shall have the right to attend all meetings of the Association, and a representative of the Class B Unit Owners shall have the right to speak at all meetings of the Association.

Section 2.4 Unit Boundaries. The title lines or boundaries of each Unit are situated as shown on the Subdivision of the Community.

Section 2.5 Maintenance Responsibilities. The Unit Owner shall be responsible for all maintenance, repair and/or replacement associated with that Unit Owner's Unit, and the Association shall be responsible for all maintenance, repair and/or replacement associated with the Common Facilities, unless the same shall have been caused by the negligent or intentional act of a Unit Owner and/or his/her family, guests or other invitees. In such case, the Association shall perform all maintenance, repair and/or replacement work required, and shall assess all costs thus incurred against the Unit Owner.

ARTICLE III
EASEMENTS

Section 3.1 Additional Easements. The following easements are hereby created:

3.1.1 Offices and Models. Declarant shall have the right to assign to Class B Unit Owners the right to maintain sales offices, management offices and models throughout the Property, on their respective Unit(s). Declarant reserves the right, for itself and its assigns, to place one or more management and/or sales offices on any portion of the Common Facilities in such manner, of such size and in such locations as Declarant or its assignee deems appropriate. Declarant or its assignee may from time to time relocate management and/or sales offices to different locations within the Common Facilities. Declarant or its assignee shall have the right to remove any such management and/or sales offices from the Common Facilities at any time up to thirty (30) days after Declarant ceases to be a Unit Owner.

3.1.2 Utility Easements. The Units and Common Facilities shall be, and are hereby, made subject to easements in favor of the Declarant or its assigns, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this subsection 3.1.2 shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Facilities. Notwithstanding the foregoing provisions of this subsection 3.1.2, unless approved in writing by the Unit Owner(s) affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the buildable area of a Unit.

3.1.3 Declarant's Easement to Correct Drainage. Declarant reserves, for itself and its assigns, an easement on, over and under the Common Facilities and portions of any Unit not within the buildable area of a Unit for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this subsection 3.1.3 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this

purpose, following which Declarant, or its assigns, shall restore the affected property as close to its original condition as practicable.

3.1.4 Easements for Encroachment. To the extent that any Unit or any of the Common Facilities encroaches on any other Unit or any of the Common Facilities, a valid easement for the encroachment exists.

3.1.5 Declarant's Easement for Signs. Declarant reserves for itself an easement on, under and over all Units owned by Declarant and/or the Common Facilities for placement, maintenance and removal of signs advertising Units in the Community owned by Declarant for sale or lease.

3.1.6 Easement to Facilitate Completion. Declarant reserves an easement on, under and over the Common Facilities as reasonably required to discharge Declarant's obligations hereunder, and each Unit Owner and its agents, contractors and invitees shall have a nonexclusive easement through the Common Facilities as is reasonably required to construct, repair and renovate that Unit Owner's Unit.

3.1.7 Easement for Adjacent Landowners. Declarant reserves an easement on, under and above the Common Facilities, for the benefit of adjacent landowners, upon satisfaction of the following conditions:

- a) Title to the area shown on the Subdivision of the Community as Heritage Estates Phases II and III is vested in Declarant;
- b) Declarant develops Heritage Estates Phases II and III as planned communities, and files a declaration for each of Heritage Estates Phase II and Heritage Estates Phase III which requires the Unit Owners in each of Heritage Estates Phases II and III to share in the Common Expenses of the Community on a pro rata basis and to abide by any Rules and Regulations adopted by the Executive Board.

ARTICLE IV AMENDMENT OF DECLARATION

Section 4.1 Amendment Generally. This Declaration may be amended only upon the vote of 67% of the Unit Owners at the time of the proposed amendment.

ARTICLE V USE RESTRICTIONS

Section 5.1 Use and Occupancy of Units and Common Facilities. The construction on, and subsequent occupancy and use of the Units and Common Facilities shall be subject to the following restrictions and covenants. Reasonable Rules and Regulations not in conflict with

this Declaration, concerning the use and enjoyment of the Property, may be promulgated and amended from time to time by the Executive Board consistent with the Bylaws of the Association. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such Rules and Regulations or any amendments thereto. Initial Rules and Regulations shall include the following:

5.1.1 No part of the Property other than the Common Facilities shall be used for any use other than single family housing for residential purposes for which the Property was designated except as otherwise provided.

5.1.2 No structure, building or improvement may be constructed on the Common Facilities except as is or will be consistent with the use of the Common Facilities for the recreation and enjoyment of the members of the Association. The Common Facilities may not be subdivided or developed for any use inconsistent with this Declaration. The Association shall not have the right to sell, assign or transfer any rights in the Common Facilities, or any woodlands thereon.

5.1.3 Except as hereinafter provided, no Building may be erected or maintained on any Unit other than a detached single family dwelling and its appurtenant garage, with the exception of those Units upon which the Declarant or its assigns may erect and maintain model, sample or display homes, real estate offices and real estate advertising displays and devices.

5.1.4 With the exception of Parcel A and Parcel B, as shown on the Subdivision of the Property, to the extent either or both is developed as a community containing single family residential dwellings, no two (2) single family residential Buildings located within five hundred (500) feet of each other with front yards on the same street shall be constructed using the same external architectural design. Single family residential Buildings containing the same external architectural design and located within five hundred (500) feet of each other are permitted if their respective front yards are on different streets. All split entry and ranch houses shall have a minimum of 1,250 square feet of living space, as measured on the exterior of the foundation walls, not including any garages, patios, porches or storage spaces. All two-story houses shall have a minimum of 1,800 square feet of living space, as measured on the exterior of the foundation walls, not including any garages, patios, porches or storage spaces.

5.1.5 No Unit Owner shall permit his or her Unit to be used or occupied for any prohibited purposes.

5.1.6 No Building in the process of construction shall be used or occupied as a residence until the exterior construction of the Building as a single family residence shall have been completed. No basement, garage or other structure other than the single family residential Building for which plans have been approved as herein provided shall be used as a residence or occupied temporarily or permanently.

5.1.7 Except as reserved by the Declarant, its successors and assigns, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any part of the Property which would require employee or customer parking or any amenities which a business open to the public would typically require.

5.1.8 Except as to the Declarant or its assigns, no signs, advertising or other displays shall be maintained or permitted on any part of the Property, with the exception of political signs during an election period, so long as the same are removed within three (3) days after the election. The right is reserved by the Declarant or its agent or agents to place "For Sale" or "For Rent" signs on any unsold Units belonging to Declarant, and on any part of the Common Facilities, and for Class B Unit Owners to place "For Sale" signs on any Unit on which said Class B Unit Owner is building a residential structure for resale. A Class A Unit Owner attempting to sell his or her Unit may place a "For Sale" sign outside his or her Unit.

5.1.9 No Building shall be erected, placed or altered on any Unit until the Building plans, home designs, blue prints, specifications and plot plan showing the location of the Building shall have been reviewed as to the conformity and harmony of the Building to the other external structures on the Property and as to the location of the Building with respect to topography and finished ground elevation, and approved in writing by a committee comprised of Nickolaus Latta, Gwendolyn Latta and Margaret Faidley, or by a representative designated by a majority of the members of said committee; provided, however that such committee may designate its duties and responsibilities to the Association at any time, at which point the Association shall be responsible for appointing successor members to the committee. Any approval granted by such committee shall not constitute a warranty, express or implied, as to the Building. In the event of death, or resignation of any member of the above mentioned committee, the remaining member or members shall have full authority to approve or disapprove such design and location or to designate a representative with like authority. In the event said committee or its designated representative fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it and if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. Neither the members of such committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The powers and duties of the original committee and of its designated representative shall cease on the later of January 1, 2010 or such date as the Association shall appoint representatives to perform the duties of such committee, and a written instrument is duly recorded evidencing the transfer of responsibility for such review to the Association.

5.1.10 No Building or any part thereof may be erected on any Unit nearer to the front lot line and any side street than the Building setback lines shown on the Plats and Plans. No Building shall be erected nearer than ten feet (10') to the side line of any Unit. No Building shall be erected on a Unit until a plot plan showing the location of the Building on the Unit shall have been approved by the municipal engineer.

5.1.11 No trailer or tent shall be placed on any Unit. No shed may be erected on any Unit without the prior written consent of the committee named in paragraph 5.1.9 or its successor as to the size, layout, materials, screening, and other aspects of construction and design. No structure other than the Building shall be erected on any Unit nearer to a street on which said Unit abuts than the nearest wall of the Building erected thereon.

5.1.12 All foundations for individual Buildings to be constructed on a Unit shall be brick to grade on all four sides.

5.1.13 No more than seventy-five percent (75%) of the mature woodlands and hardwoods on a Unit may be disturbed in the erection of any Building on a Unit unless the same have been approved in advance by the committee named in paragraph 5.1.9 or its successor.

5.1.14 No fence shall be erected on any Unit without the written consent of the committee named in paragraph 5.1.9 and no fence shall be built to a height greater than four feet (4') unless required by the ordinances of the Municipality of Murrysville, and approved as to aesthetics by the committee named in paragraph 5.1.9.

5.1.15 All driveways installed on a Unit shall be composed of asphalt, concrete, brick or other equivalent material, and shall be completed at the same time as completion of the single family residential Building on the Unit, weather permitting, but in no event, later than twenty-four (24) months after completion of the single family residential Building constructed on the Unit.

5.1.16 There shall be no obstruction of the Common Facilities, nor shall anything or any structure be stored in or on the Common Facilities without the prior consent of the Executive Board, except as herein expressly provided.

5.1.17 Nothing shall be done or kept in or on any Unit or the Common Facilities which will increase the rate of insurance on the Property or contents thereof, applicable for residential use, without the prior written consent of the Executive Board.

5.1.18 No Unit Owner shall permit anything to be done or kept in or on the Unit or the Common Facilities which will violate any law, statute, ordinance or regulations of any governmental body or which will result in the cancellation of any insurance maintained by the Unit Owner or the Executive Board. No waste shall be committed in the Common Facilities.

5.1.19 No obnoxious or offensive activity shall be maintained in or on any Unit or the Common Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or residents of any Building constructed on a Unit.

5.1.20 No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any portion of the Common Facilities. The Common Facilities shall be kept free and clear of rubbish, debris and other unsightly materials.

5.1.21 No Unit Owner, nor anyone residing or otherwise on a Unit or a Building constructed on a Unit, shall operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Executive Board, an unreasonable disturbance to others.

5.1.22 The walks and entrances of each Unit shall not be obstructed or encumbered or used for any purpose other than ingress and egress to and from a Unit.

5.1.23 No radio or television aerial, antenna, wiring and/or satellite dish greater than one meter in diameter shall be installed on any Unit without the written consent of the Executive Board. The Executive Board may remove, without notice, any such aerial, antenna, wiring and/or satellite dish erected or installed in violation of this Declaration and/or the Rules and Regulations. The Unit Owner for whose benefit the installation was made will be liable for the total cost of removal of such aerial, antenna, wiring and/or satellite dish.

5.1.24 No improvements, such as hot tubs, jacuzzis, etc., may be affixed to or installed in or on a Unit unless installed on an approved deck or patio attached to the single family residential Building constructed on the Unit, without the prior written consent of the Executive Board.

5.1.25 Only normal household pets will be permitted in a Building constructed on a Unit, on a Unit and/or on the Property. In no event shall any pet be permitted in any outside area to run freely and all such pets must be under supervision at all times. In no event shall any pet be permitted to be chained, tied or otherwise restrained to any portion of the Common Facilities. No lines, chains, dog house or other pet shelters shall be permitted on any portion of the Common Facilities. All pets must be properly licensed and vaccinated. No Unit Owner shall permit his or her animal to disturb any other Unit Owner. If any pet becomes a nuisance to any of the Unit Owners, then upon written application of a Unit Owner to the Executive Board, if a majority of the Executive Board shall so vote, the Executive Board shall order the permanent removal of the pet from the Property, and the owner of said pet shall permanently remove said pet within fifteen (15) days after receipt of such order.

5.1.26 No commercial trucks, trailers or vans may be parked in the Community for more than the time required to make a delivery to, pick-up from, or repair to a Unit or part thereof, or as part of the construction or repair of any structure on or contents of a Unit or the Common Facilities. No repairs, except minor repairs taking less than twenty-four (24) hours, may be made to automobiles on a Unit. No recreational vehicles may be parked on a Unit for more than twenty-four (24) hours except in a location approved by the Executive Board.

5.1.27 The Association and each member thereof, the Executive Board and the Declarant, for so long as it shall own one or more Units, shall have the right to prosecute any

person violating or attempting to violate these use restrictions at a proceeding at law or in equity to prevent such violation or continuation of such violation.

5.1.28 No basketball poles or basketball goals affixed to any pole, structure or apparatus shall be placed in the front yard of any Unit, except that a basketball pole may be erected directly adjacent to a Unit's concrete driveway, within ten (10) feet of the garage on that Unit.

5.1.29 The committee named in paragraph 5.1.9 above shall have the right and authority to waive, change, alter, add to or modify any of the use restrictions contained in paragraphs 5.1.4, 5.1.11, 5.1.13, 5.1.14 and/or 5.1.15 hereof in respect to all of the said Units or in respect to any one or more of said Units, provided (a) such waiver, change, alteration, addition or modification shall be made or granted prior to January 1, 2010 and (b) such waiver, change, alteration, addition or modification shall be in writing setting forth the conditions and limitations pursuant to which it has been approved.

ARTICLE VI
BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT;
MASTER ASSOCIATION

Section 6.1 Common Expenses. Until such time as the first occupancy permit has been issued for occupancy within the Community, no Common Expense assessments shall be made. Thereafter, Common Expense assessments for all Common Expenses shall be assessed against Class A Unit Owners in accordance with their Percentage Interests. Insurance Expenses shall be assessed against both Class A Unit Owners and Class B Unit Owners on a pro rata basis.

Section 6.2 Monthly Payments. All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be payable in such manner as the Executive Board shall determine. Special assessments shall be due and payable as determined by the Executive Board.

Section 6.3 Priority of Lien. Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to §§5302(a)(10), (11) and (12) of the Act, shall be a lien on the Unit, having priority as provided in §5315(b) of the Act.

Section 6.4 Surplus. Any amounts accumulated from assessments for Common Expenses in excess of the amount required for actual Common Expenses shall be held by the Association as reserves for future Common Expenses.

Section 6.5 Assignment of Income Rights. The Association may assign its rights to future income, including payments made on account of assessments for Common Expenses, to secure any loan obtained by the Association for repairs, replacements or capital improvements

to the Common Facilities, provided that any such assignment is authorized by the vote of not less than 75% of the members of the Executive Board.

Section 6.6 Master Association. In the event that Declarant obtains title to and develops any or all of Heritage Estates Phase II, Heritage Estates III and/or the Condominium, all of the Associations for each such community shall have the right to form a Master Association for management of all their communities, upon the majority vote of each such Association.

ARTICLE VII
DECLARANT'S RIGHTS AND WARRANTIES

Section 7.1 Control.

(a) Until the 60th day after twenty-five percent (25%) of the Units are owned by Class A Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Class A Unit Owners other than Declarant.

(b) Not later than 60 days after twenty-five percent (25%) of the Units are owned by Class A Unit Owners other than Declarant, two of the five members of the Executive Board shall be elected by the Class A Members of the Association other than Declarant.

(c) Not later than the earlier of (i) five years after the date of the recording of this Declaration, or (ii) sixty days after seventy-five percent (75%) of the Units are owned by Class A Unit Owners other than Declarant, all members of the Executive Board shall resign, and the Class A Members of the Association (including Declarant to the extent of Units owned by Declarant) shall elect a new five member Executive Board.

Section 7.2 Structural Warranties. **DECLARANT SHALL WARRANT AGAINST STRUCTURAL DEFECTS IN ALL OF THE COMMON FACILITIES. FOR THE PURPOSES OF THIS PARAGRAPH, "STRUCTURAL DEFECTS" MEANS THOSE DEFECTS IN COMPONENTS CONSTITUTING ANY COMMON FACILITY WHICH REQUIRE REPAIR, RENOVATION, ALTERATION OR REPLACEMENT AND EITHER (A) REDUCE THE STABILITY OR SAFETY OF THE COMMON FACILITY BELOW ACCEPTABLE STANDARDS, OR (B) RESTRICT THE NORMAL INTENDED USE OF ALL OR ANY PART OF THE COMMON FACILITY AND WHICH REQUIRE REPAIR, RENOVATION, RESTORATION OR REPLACEMENT.**

DECLARANT FURTHER WARRANTS THAT ALL GRADING WORK DONE ON THE UNITS WAS DONE IN A PROPER WORKMANLIKE MANNER CONSISTENT WITH ALL STANDARDS IN THE INDUSTRY. DECLARANT MAKES

NO STRUCTURAL OR OTHER WARRANTIES OTHER THAN A WARRANTY OF TITLE, TO ANY UNIT OWNER.

THE FOREGOING WARRANTIES SHALL NOT BE CONSTRUED TO MAKE DECLARANT RESPONSIBLE FOR ANY ITEMS OF MAINTENANCE RELATING TO THE COMMON FACILITIES. THE WARRANTY DESCRIBED ABOVE, AS TO EACH COMMON FACILITY AS TO WHICH THE DECLARANT MAKES THIS WARRANTY, BEGINS ON THE DATE OF COMPLETION OF SUCH COMMON FACILITY AND CONTINUES FOR A PERIOD OF TWO (2) YEARS THEREAFTER.

THESE ARE THE ONLY WARRANTIES GIVEN TO UNIT OWNERS BY DECLARANT, EXCEPT THE WARRANTY OF TITLE. EXCEPT AS SET FORTH ABOVE, THERE ARE NO OTHER WARRANTIES OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED AS TO SYSTEMS, APPLIANCES OR EQUIPMENT. DECLARANT DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE UNIT, AND APPURTENANCES THERETO, BECAUSE, WITH THE EXCEPTION OF THE COMMON FACILITIES, DECLARANT IS NOT RESPONSIBLE FOR ANY CONSTRUCTION IN THE COMMUNITY.

EACH UNIT OWNER SHALL CONSTRUCT OR SECURE THE CONSTRUCTION OF A SINGLE FAMILY RESIDENTIAL BUILDING ON THE UNIT OWNER'S UNIT AND SHALL ONLY LOOK TO THE ENTITY CONSTRUCTING SUCH BUILDING FOR STRUCTURAL AND OTHER WARRANTIES RELATIVE TO SUCH BUILDING AND ITS CONTENTS. DECLARANT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH REFERENCE TO ANY BUILDING OR OTHER IMPROVEMENT CONSTRUCTED ON A UNIT, EXCEPT AS HEREIN STATED.

**ARTICLE VIII
LIMITATION OF LIABILITY**

Section 8.1 Standard of Conduct.

(a) In the performance of their duties, the officers and members of the Executive Board shall stand in a fiduciary relation to the Association and shall perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

(b) In discharging the duties of their respective positions, the Executive Board members and officers may, in considering the best interests of the Association, consider the effects of any action upon employees and upon suppliers of the Association and upon

communities in which the Community is located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described above.

(c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as an Executive Board member or officer or any failure to take any action shall be presumed to be in the best interest of the Association.

Section 8.2 Good Faith Reliance. In performing his or her duties, an officer or Executive Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(a) One or more other officers or employees of the Association whom the officer or Executive Board member reasonably believes to be reliable and competent in the matters presented.

(b) Counsel, public accountants or other persons as to matters which the officer or Executive Board member reasonably believes to be within the professional or expert competence of such person.

(c) A committee of the Executive Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the officer or Executive Board member reasonably believes to merit confidence.

An officer or Executive Board member shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

Section 8.3 Limited Liability. No Executive Board member or officer, in his or her capacity as such, shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless he or she has breached or failed to perform the duties of his or her office under the standards described above; provided, however, that the provisions of this Section 9.3 shall not apply to the responsibility or liability of an Executive Board member or officer pursuant to any criminal statute, or to the liability of an Executive Board member or officer for the payment of taxes pursuant to local, state, or federal law.

Section 8.4 Indemnification. To the extent permitted under Pennsylvania law, each member of the Executive Board, in his or her capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any proceeding in which he or she may become involved by reason of his or her being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he or she is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged to be in breach of the standards of conduct described above;

provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he or she is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his or her conduct was unlawful. The indemnification by the Unit Owners set forth in this Section 9.4 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

To the extent permissible under Pennsylvania law, expenses incurred by an Executive Board member or officer in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon the request of the Executive Board member or officer, after the Association has received an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association.

Section 8.5 Directors and Officers Insurance. The Executive Board shall have the right to obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section 8.4 above, if and to the extent available at reasonable cost, and determined appropriate by the Executive Board.

IN WITNESS WHEREOF, the said Heritage Estates, L.P. has caused its name to be signed to these presents by its general partner on this 26 day of August, 1999.

Heritage Estates, L.P., a Pennsylvania limited partnership, by Heritage Estates, Inc., a Pennsylvania corporation, its general partner

By: *Prudh J. Latta*
Title: *President*

EXHIBIT A

SUBMITTED REAL ESTATE

EXHIBIT B

EASEMENTS

EXHIBIT C

SUBDIVISION

EXHIBIT D

PERCENTAGE INTERESTS AND IDENTIFYING NUMBERS

LEGAL DESCRIPTION - HERITAGE PLAN OF LOTS PHASE 1

BEGINNING AT A POINT IN LOGANS FERRY ROAD AND AT THE NORTHEAST CORNER OF PARCEL NO. 1 TO BE RECORDED; THENCE ALONG THE LINE IN LOGANS FERRY ROAD N 35°28'33" E A DISTANCE OF 10.951 FEET TO A POINT; THENCE LEAVING SAID ROAD S 30°33'41" E A DISTANCE OF 127.171 FEET TO A POINT THE TRUE PLACE OF BEGINNING; THENCE S 82°33'20" E A DISTANCE OF 32.989 FEET TO A POINT; THENCE N 70°41'40" E A DISTANCE OF 24.474 FEET TO A POINT ON THE WESTERLY LINE OF LOT 101 IN THE RALPH D. LATTI PLAN OF LOTS NO. 2 AS RECORDED IN P.B.V. 90 PG.3091; THENCE ALONG SAID LOT NO. 101 AND LOT 102 IN SAID PLAN THE FOLLOWING COURSES AND DISTANCES: S 30°33'20" E A DISTANCE OF 266.611 FEET TO A POINT; THENCE BY AN ARC CURVE CURVING TO THE LEFT HAVING A RADIUS OF 30.00 FEET WITH AN ARC LENGTH OF 39.119 FEET TO A POINT; THENCE N 74°44'00" E A DISTANCE OF 145.086 FEET TO A POINT; THENCE LEAVING SAID PLAN AND BY A LINE THROUGH LAND OF RALPH & NONA LATTI THE FOLLOWING COURSES AND DISTANCES: THENCE S 6°42'36" E A DISTANCE OF 50.560 FEET TO A POINT; THENCE S 30°33'20" E A DISTANCE OF 695.661 FEET TO A POINT; THENCE S 74°25'46" E A DISTANCE OF 366.666 FEET TO A POINT; THENCE S 36°24'51" E A DISTANCE OF 151.139 FEET TO A POINT; THENCE S 0°21'15" E A DISTANCE OF 249.797 FEET; THENCE S 71°35'17" W A DISTANCE OF 186.806 FEET TO A POINT; THENCE N 29°16'31" W A DISTANCE OF 150.000 FEET TO A POINT; THENCE S 60°43'29" W A DISTANCE OF 200.000 FEET TO A POINT; THENCE S 29°16'31" E A DISTANCE OF 30.947 FEET TO A POINT; THENCE S 60°43'29" W A DISTANCE OF 150.000 FEET TO A POINT; THENCE N 29°16'31" W A DISTANCE OF 32.359 FEET TO A POINT; THENCE S 40°55'57" W A DISTANCE OF 95.340 FEET TO A POINT; THENCE S 40°55'57" W A DISTANCE OF 95.340 FEET TO A POINT; THENCE S 54°26'34" W A DISTANCE OF 45.857 FEET TO A POINT; THENCE N 35°33'26" W A DISTANCE OF 112.397 FEET TO A POINT; THENCE N 49°04'03" W A DISTANCE OF 55.000 FEET TO A POINT; THENCE N 40°55'57" E A DISTANCE OF 37.916 FEET TO A POINT; THENCE N 49°04'03" W A DISTANCE OF 244.342 FEET TO A POINT; THENCE S 40°55'57" W A DISTANCE OF 14.139 FEET TO A POINT; THENCE N 79°11'48" W A DISTANCE OF 218.217 FEET TO A POINT; THENCE N 60°14'24" W A DISTANCE OF 197.451 FEET TO A POINT; THENCE S 40°18'18" W A DISTANCE OF 254.763 FEET TO A POINT; THENCE N 49°41'42" W A DISTANCE OF 91.237 FEET; THENCE BY A CURVE CURVING TO RIGHT HAVING A RADIUS OF 175.000 FEET WITH AN ARC LENGTH OF 62.580 FEET TO A POINT; THENCE S 60°47'38" W A DISTANCE OF 52.728 FEET TO A POINT AT THE CORNER OF LOT 2B IN THE LATTI FARM PLOT NO. 2 AS RECORDED IN P.B.V. 90 PG. 708; THENCE ALONG SAID LOT 2B N 66°27'14" W A DISTANCE OF 198.212 FEET TO A POINT AT THE END OF A 50 FOOT RIGHT OF WAY; THENCE ALONG SAID 50 FOOT RIGHT OF WAY AND LAND N/F E.J. HARRIS N 23°32'46" E A DISTANCE OF 137.216 FEET TO A POINT; THENCE CONTINUING ALONG LINE OF SAID HARRIS AND LAND N/F CHARLES & DOROTHY ALDRIDGE N 32°44'36" E A DISTANCE OF 202.743 FEET TO A POINT; THENCE CONTINUING ALONG THE LINE OF SAID ALDRIDGE, LAND N/F WILLIAM WHITEHEAD AND BRIAN & JENNIFER BOYD N 19°59'36" E A DISTANCE OF 319.570 FEET TO A POINT; THENCE CONTINUING ALONG SAID LINE OF BOYD AND LAND OF N/F RALPH & LONA LATTI N 49°30'31" E A DISTANCE OF 219.968 FEET TO A POINT AT THE CORNER OF 40 FOOT RIGHT OF WAY; THENCE ALONG TERMINIS OF 40 FOOT RIGHT OF WAY N 46°51'04" E A DISTANCE OF 40.101 FEET TO A POINT AT THE CORNER OF N/F FRANK & NANCY GLABICKI; THENCE ALONG SAID LINE OF GLABICKI THE FOLLOWING COURSES AND DISTANCES: THENCE N 52°21'18" E A DISTANCE OF 31.903 FEET TO A POINT; THENCE N 52°21'18" E 5.506 FEET TO A POINT; THENCE N 39°45'31" E A DISTANCE OF 91.540 FEET TO A POINT AT THE CORNER OF LAND N/F ALAN & GWENDOLYN LATTI; THENCE N 50°50'43" E A DISTANCE OF 207.066 FEET TO A POINT ON THE WESTERLY LINE OF A 50 FOOT RIGHT OF WAY; THENCE ALONG SAID 50 FOOT RIGHT OF WAY N 30°33'41" W A DISTANCE OF 134.30 FEET TO A POINT THE TRUE PLACE OF BEGINNING.

CONTAINING 29.267 ACRES.

Exhibit B

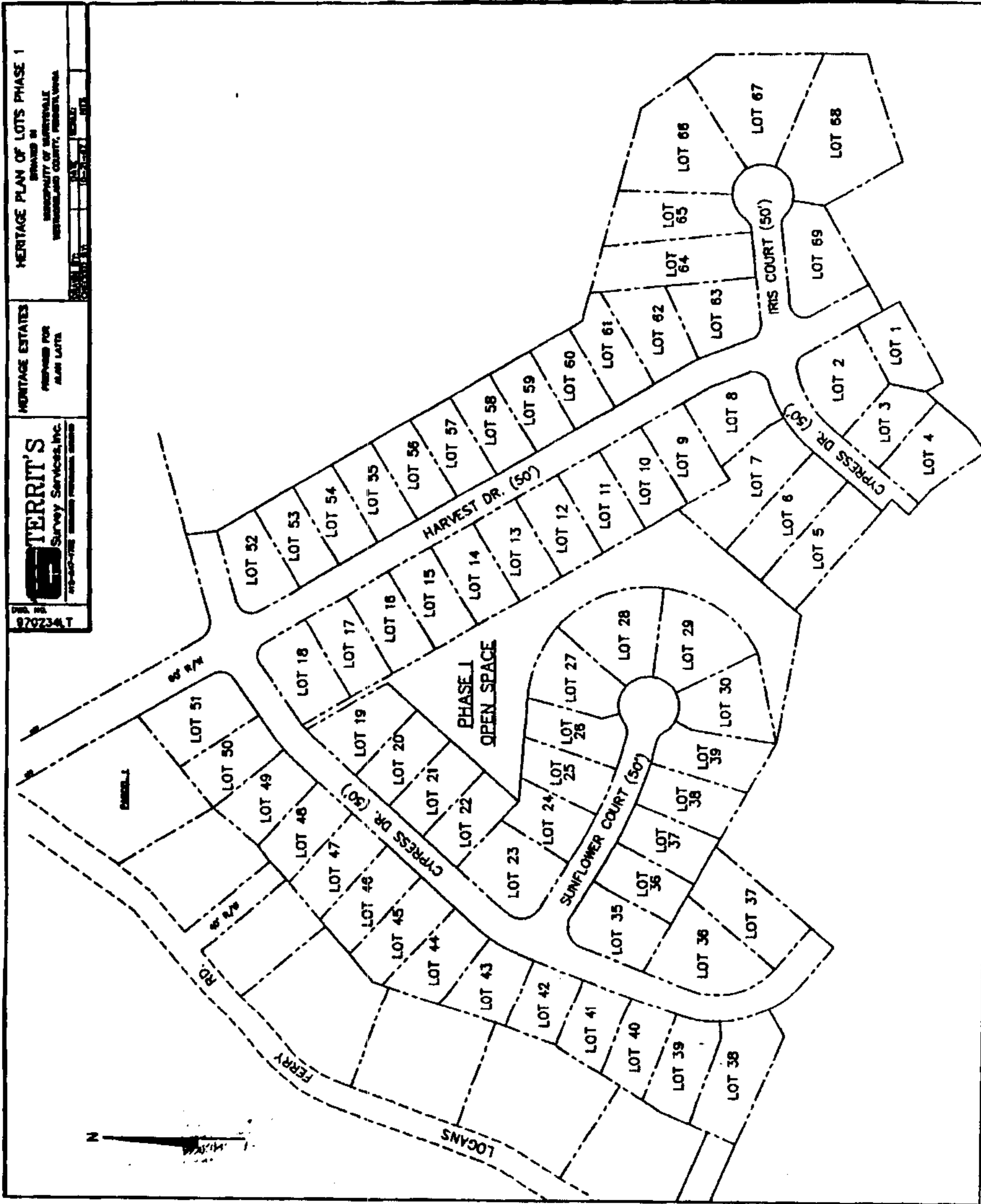
Easements and Licenses

Included among the easements, rights and appurtenances referred to in Section 1.3.1 are the following recorded easements and licenses, as recorded in the Office of the Recorder of Deeds of Westmoreland County, Pennsylvania:

1. Subject to the Covenants and Restrictions as shown in deed recorded on March 27, 1957 in DVB 1646, page 434.
2. Subject to a right of way to Laurel Pipe Line Co., as recorded on December 3, 1957, in DVB 1684, page 24. Limited to streets, lot lines, and easements of recorded plan.
3. Subject to Zoning Ordinances by the Municipality of Murrysville, if any.
4. Local and School Taxes for the year 1999, not yet due and payable.

EXHIBIT C - SUBDIVISION

EXHIBIT C - SUBDIVISION



PERCENTAGE INTERESTS & IDENTIFYING NUMBERS

Lot #	Address	Percentage interest
1	5030 Harvest Drive, Murrysville Pa 15668	1.45
2	5036 Harvest Drive, Murrysville Pa 15668	1.45
3	4940 Cypress Drive, Murrysville Pa 15668	1.45
4	4950 Harvest Drive, Murrysville Pa 15668	1.45
5	4949 Cypress Drive, Murrysville Pa 15668	1.45
6	4939 Cypress Drive, Murrysville Pa 15668	1.45
7	4929 Cypress Drive, Murrysville Pa 15668	1.45
8	5058 Harvest Drive, Murrysville, Pa 15668	1.45
9	5064 Harvest Drive, Murrysville Pa 15668	1.45
10	5070 Harvest Drive, Murrysville Pa 15668	1.45
11	5076 Harvest Drive, Murrysville Pa 15668	1.45
12	5082 Harvest Drive, Murrysville Pa 15668	1.45
13	5088 Harvest Drive, Murrysville Pa 15668	1.45
14	5094 Harvest Drive, Murrysville Pa 15668	1.45
15	5100 Harvest Drive, Murrysville Pa 15668	1.45
16	5106 Harvest Drive, Murrysville Pa 15668	1.45
17	5112 Harvest Drive, Murrysville Pa 15668	1.45
18	5120 Harvest Drive, Murrysville Pa 15668	1.45
19	5119 Cypress Drive, Murrysville Pa 15668	1.45
20	5109 Cypress Drive, Murrysville Pa 15668	1.45
21	5099 Cypress Drive, Murrysville Pa 15668	1.45
22	5089 Cypress Drive, Murrysville Pa 15668	1.45
23	3940 Sunflower Court, Murrysville Pa 15668	1.45
24	3948 Sunflower Court, Murrysville Pa 15668	1.45
25	3956 Sunflower Court, Murrysville Pa 15668	1.45
26	3964 Sunflower Court, Murrysville Pa 15668	1.45
27	3972 Sunflower Court, Murrysville Pa 15668	1.45
28	3980 Sunflower Court, Murrysville Pa 15668	1.45
29	3983 Sunflower Court, Murrysville Pa 15668	1.45
30	3975 Sunflower Court, Murrysville Pa 15668	1.45
31	3967 Sunflower Court, Murrysville Pa 15668	1.45
32	3959 Sunflower Court, Murrysville Pa 15668	1.45
33	3951 Sunflower Court, Murrysville Pa 15668	1.45
34	3943 Sunflower Court, Murrysville Pa 15668	1.45
35	3935 Sunflower Court, Murrysville Pa 15668	1.45
36	5049 Cypress Drive, Murrysville Pa 15668	1.45
37	5039 Cypress Drive, Murrysville Pa 15668	1.45
38	5040 Cypress Drive, Murrysville Pa 15668	1.45
39	5048 Cypress Drive, Murrysville Pa 15668	1.45

40	5056 Cypress Drive, Murrysville Pa 15668	1.45
41	5062 Cypress Drive, Murrysville Pa 15668	1.45
42	5070 Cypress Drive, Murrysville Pa 15668	1.45
43	5078 Cypress Drive, Murrysville Pa 15668	1.45
44	5086 Cypress Drive, Murrysville Pa 15668	1.45
45	5094 Cypress Drive, Murrysville Pa 15668	1.45
46	5100 Cypress Drive, Murrysville Pa 15668	1.45
47	5106 Cypress Drive, Murrysville Pa 15668	1.45
48	5112 Cypress Drive, Murrysville Pa 15668	1.45
49	5118 Cypress Drive, Murrysville Pa 15668	1.45
50	5124 Cypress Drive, Murrysville Pa 15668	1.45
51	5130 Cypress Drive, Murrysville Pa 15668	1.45
52	5117 Harvest Drive, Murrysville Pa 15668	1.45
53	5111 Harvest Drive, Murrysville Pa 15668	1.45
54	5105 Harvest Drive, Murrysville Pa 15668	1.45
55	5099 Harvest Drive, Murrysville Pa 15668	1.45
56	5093 Harvest Drive, Murrysville Pa 15668	1.45
57	5087 Harvest Drive, Murrysville Pa 15668	1.45
58	5081 Harvest Drive, Murrysville Pa 15668	1.45
59	5075 Harvest Drive, Murrysville Pa 15668	1.45
60	5069 Harvest Drive, Murrysville Pa 15668	1.45
61	5063 Harvest Drive, Murrysville Pa 15668	1.45
62	5057 Harvest Drive, Murrysville Pa 15668	1.45
63	4040 Iris Court, Murrysville Pa 15668	1.45
64	4048 Iris Court, Murrysville Pa 15668	1.45
65	4056 Iris Court, Murrysville Pa 15668	1.45
66	4064 Iris Court, Murrysville Pa 15668	1.45
67	4072 Iris Court, Murrysville Pa 15668	1.45
68	4065 Iris Court, Murrysville Pa 15668	1.45
69	5035 Harvest Drive, Murrysville Pa 15668	1.45

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF ALLEGHENY :

On this the 26 day of August, 1999, before me, a Notary Public, the undersigned officer, personally appeared Gwen Latta, satisfactorily proven to be the President of Heritage Estates, Inc., a Pennsylvania corporation, and that she, 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 have hereunto set my hand and official seal.

Lainie H Baack
Notary Public

