

PINE CREST MANOR, A PLANNED COMMUNITY

PUBLIC OFFERING STATEMENT

NAME OF COMMUNITY: PINE CREST MANOR  
ADDRESS OF COMMUNITY:

\_\_\_\_\_  
Township of Pine,  
Allegheny County PA

NAME AND ADDRESS  
OF DECLARANT: Pearce Mill Associates, L.P.  
772 Pine Valley Drive  
Pittsburgh, PA 15239

**WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT OR AN AMENDMENT TO A PUBLIC OFFERING STATEMENT THAT MATERIALLY AND ADVERSELY AFFECTS THE RIGHTS OR OBLIGATIONS OF THE PURCHASER, A PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT FROM DECLARANT. IF DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS TO A PURCHASER BEFORE CONVEYING A UNIT, THE PURCHASER MAY RECOVER FROM THE DECLARANT DAMAGES AS PROVIDED IN SECTION 5406(c) OF THE PENNSYLVANIA UNIFORM PLANNED COMMUNITY ACT (RELATING TO PURCHASER'S RIGHT TO CANCEL) IN AN AMOUNT EQUAL TO 5% OF THE SALES PRICE FOR SUCH UNIT, UP TO A MAXIMUM OF \$2,000, OR IN AN AMOUNT EQUAL TO THE ACTUAL DAMAGES SUFFERED BY THE PURCHASER, WHICHEVER IS GREATER. A MINOR OMISSION OR ERROR IN THE PUBLIC OFFERING STATEMENT, OR IN AN AMENDMENT THERETO, THAT IS NOT WILLFUL, SHALL ENTITLE THE PURCHASER TO RECOVER ONLY ACTUAL DAMAGES, IF ANY. IF PURCHASER RECEIVES A PUBLIC OFFERING STATEMENT MORE THAN 15 DAYS BEFORE SIGNING A CONTRACT, PURCHASER CANNOT CANCEL THE CONTRACT, UNLESS THERE IS AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT THAT WOULD HAVE A MATERIAL AND ADVERSE EFFECT ON THE RIGHTS OR OBLIGATIONS OF THAT PURCHASER.**

**EVERY PROSPECTIVE PURCHASER SHOULD READ THIS BOOKLET CAREFULLY**

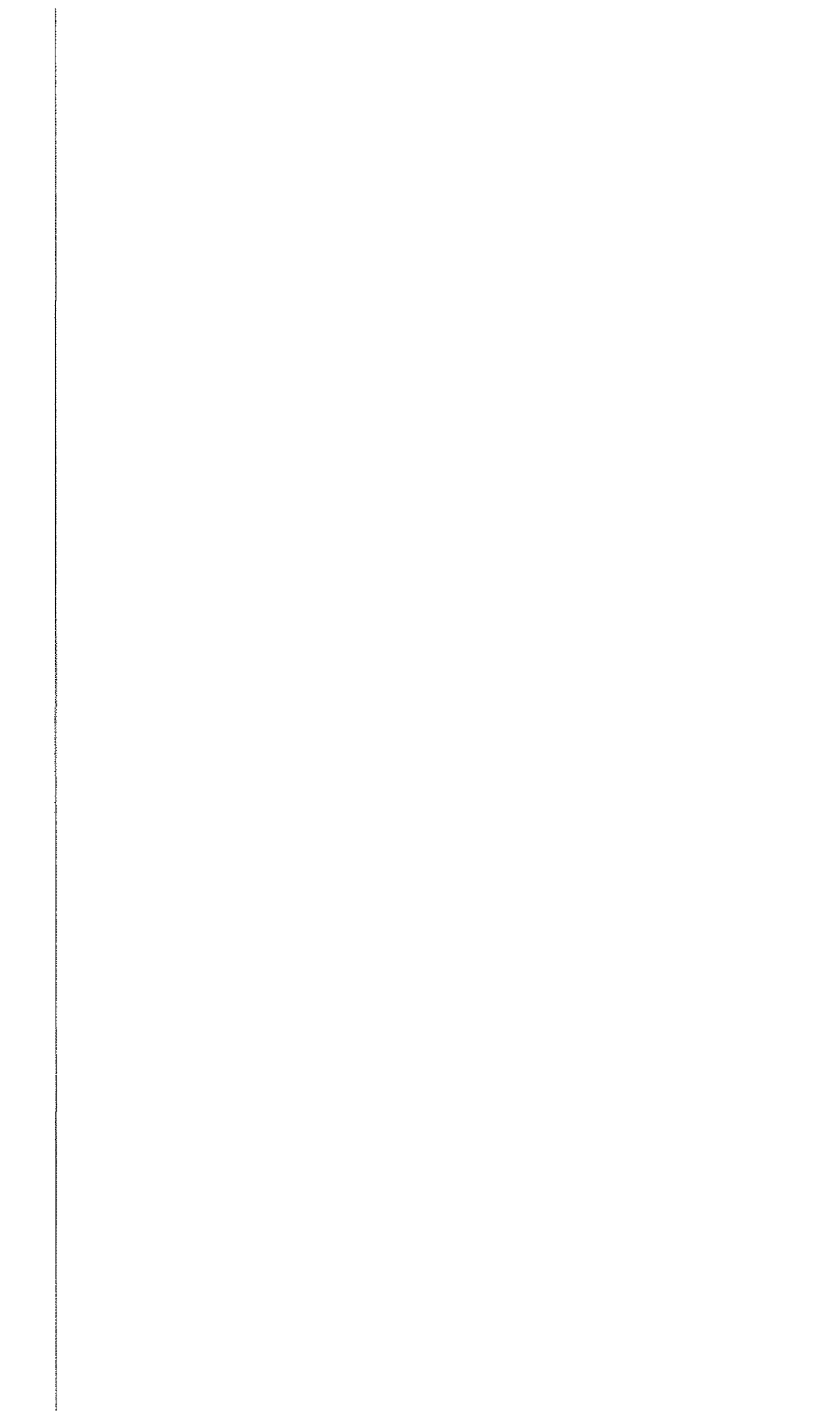
### Format of this Booklet

This booklet consists of five separate sections: 1) this "PUBLIC OFFERING STATEMENT", which summarizes the significant features of Pine Crest Manor, a Planned Community and presents additional information of interest to prospective purchasers; 2) the Declaration of Pine Crest Manor, a Planned Community; 3) the proposed Bylaws of Homeowners Association of Pine Crest Manor ; 4) the annual budget (proposed) of Homeowners Association of Pine Crest Manor ; and 5) the Agreement of Sale to be used for the sale of Units in the Planned Community by Declarant;. The Declaration and Bylaws are herein referred to as the "Community Documents". If there is any variation between this Public Offering Statement and the Community Documents, the Community Documents will govern.

No person or sales agent or other representative of Declarant may orally modify the terms and conditions of the Community Documents or interpret their legal effect. All capitalized terms which are not defined in this Public Offering Statement have the meanings set forth in the Declaration or in the Bylaws.

### The Planned Community Concept

The term "planned community" refers to a form of property ownership which, in effect, combines ownership in both a single Unit and in Common Elements through the membership of a Unit Owner in the Association which owns the Common Elements. A Unit is a lot of ground, which has been improved by the Declarant by grading the buildable portion of the Unit for construction of a single family free-standing residence.



Those areas of the Community which are intended for the joint use of all future residents of the Community will be transferred to the Homeowners Association of Pine Crest Manor , a Pennsylvania non-profit corporation formed by Declarant, whose membership will consist of all owners of Units in the Community, including the Declarant as to Units it owns, builders who purchase a Unit with the intent of erecting a single family residence thereon for resale, until the Unit and residence are sold, and Unit Owner who purchase a Unit with the intent of living in the residence constructed or to be constructed on that Unit.

Units will be sold by the Declarant to Unit Owners. Declarant does not intend to rent or market blocks of Units to investors. It is anticipated, but not guaranteed, that Declarant will sell all Units to Heartland Homes, which will then build residences on the Units.

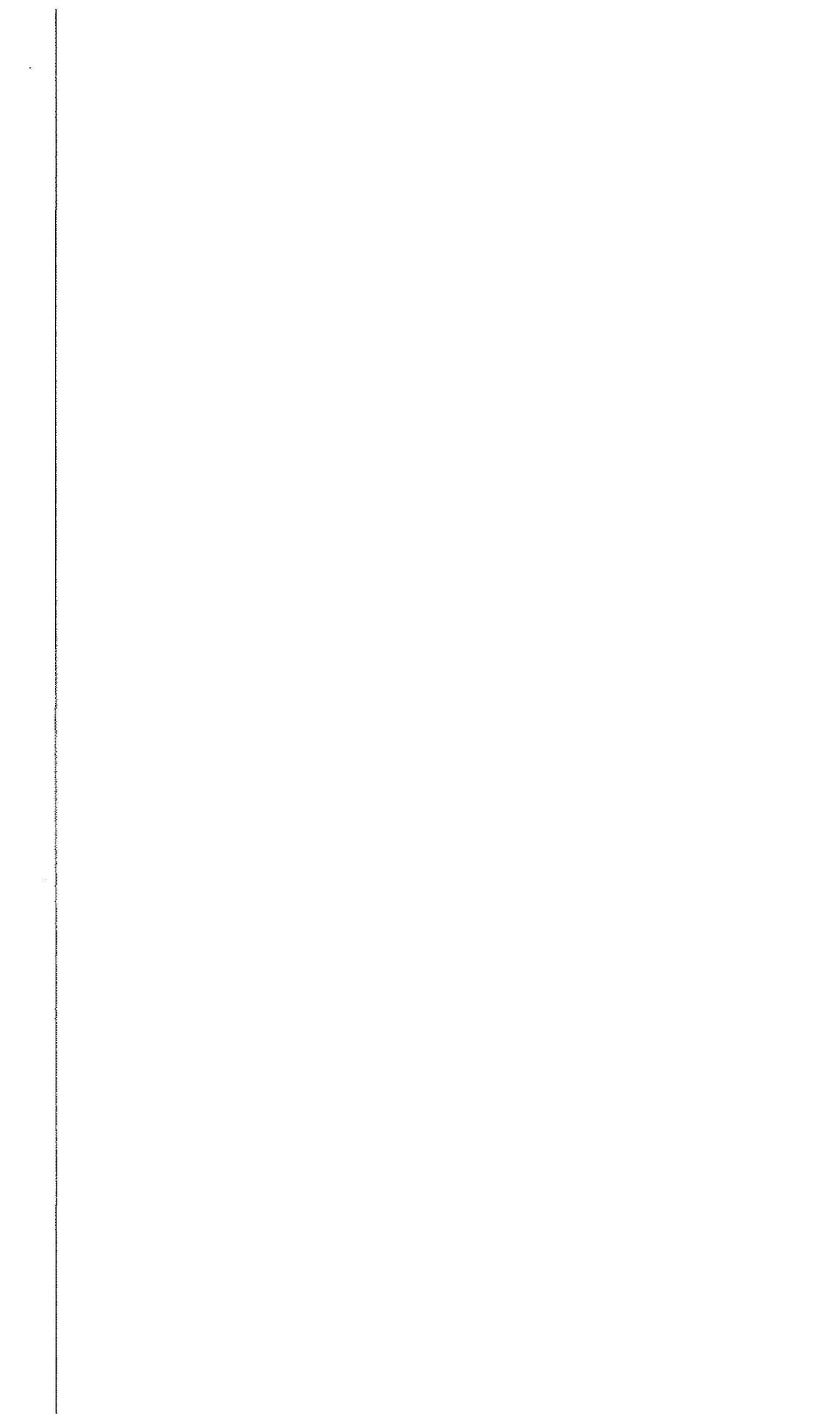
The Declaration contains certain restrictions on the design of and materials to be used in construction of a single family residences on a Unit, including the right of a committee named in the Declaration to approve all designs for such residences. Except as limited in the Declaration, the exterior and interior design of any single family residence to be constructed on a Unit will be solely within the discretion of the Unit Owner. Unit Owners who resell their Unit will be required to give the purchaser a Resale Certificate in the form attached hereto as Exhibit "A" and incorporated herein by reference. Information required to complete the Resale Certificate will be supplied by the Association as required under the Act. A builder building a residence on a Unit (including Heartland Homes, Inc.) will be required to provide the purchaser with both a Resale Certificate and this Public Offering Statement.



A Unit Owner is, at the same time: i) the sole owner of the Unit; and ii) one of many mutual owners through membership in the Association of the Common Elements which all Members of the Association may use and enjoy along with other Members. Common Elements are all portions of the Community which are not included within the Units but are intended for the use and benefit of all Unit Owners. In general, the Common Elements constitute a stormwater detention system, entranceway signage and lighting, a walking trail that will be partly paved, and partly graveled, a basketball half-court, totlot, open space and parkland. Until dedicated to and accepted by Pine Township, the streets in the Community will be Common Elements. The parkland Common Elements may also be dedicated to and accepted by Pine Township.

A Unit Owner is, at the same time: i) the sole owner of the Unit; and ii) one of many Members of the Association, which owns and maintains the Common Elements for the use and benefit of its Members. As Members of the Association, Unit Owners will have the right to use, and the obligation to pay the costs of maintaining, all Common Elements developed in the Community, and title to which will be transferred to the Association. Each Unit's share of the costs of maintaining the Common Elements will be referred to as its Percentage Interest, and is equal for all Units, as set forth in Exhibit "D" in the Declaration. It is this coupling of exclusive ownership of a Unit with the shared benefits and obligations associated with the Common Elements which distinguishes ownership in a planned community from other forms of property ownership.

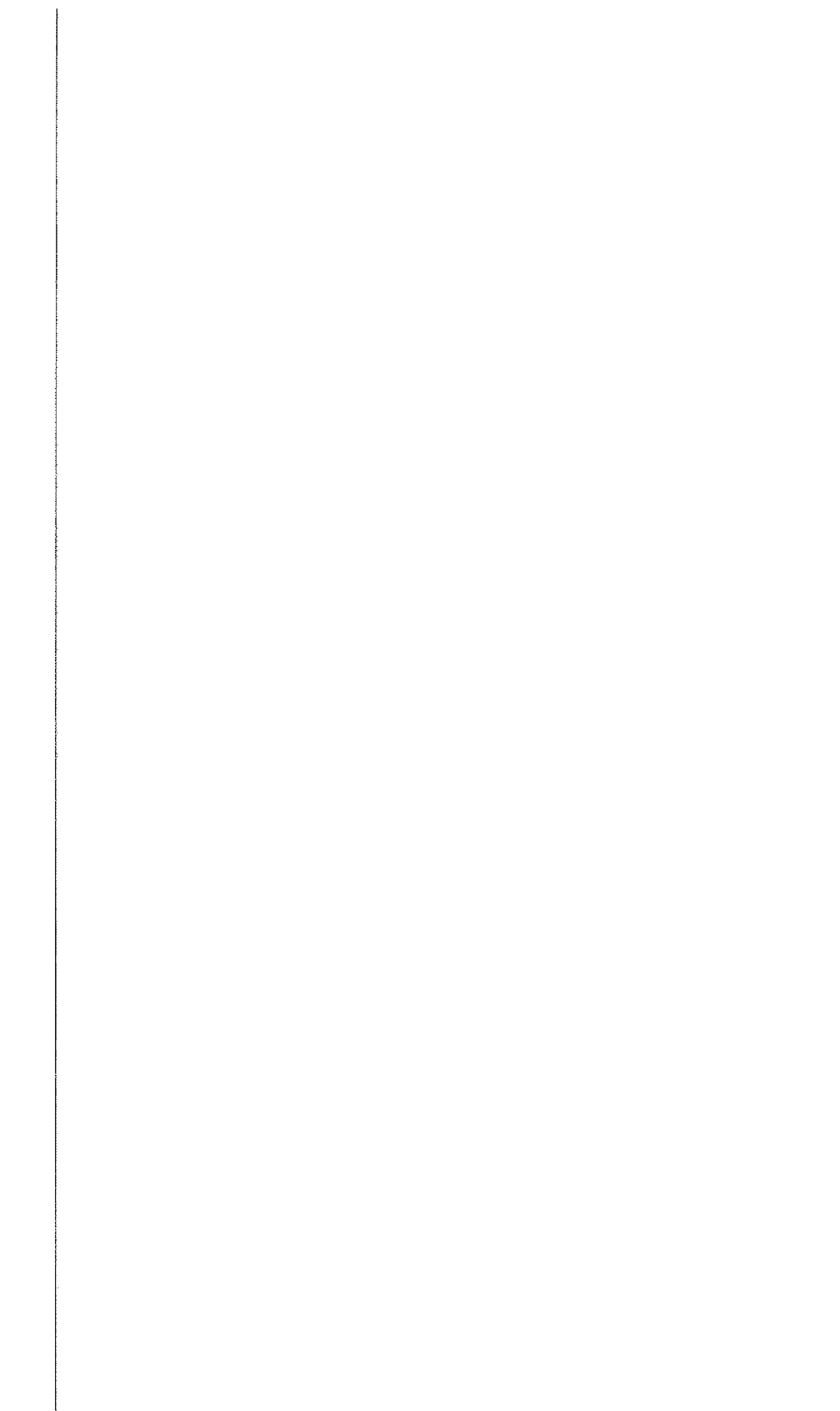
The Percentage Interest as stated in Exhibit "D" anticipates that all Units, including Units in the Additional Real Estate, will be created. The Additional Real Estate is real estate that may be added to the Community for a period of seven (7) years by Declarant, without the consent of any other person or entity or payment of any fee, either all at once, in smaller portions, or not at all. Any



portion of the Additional Real Estate which is added to the Community will be subject to the terms of the Declaration. Any portion of the Additional Real Estate which is not added to the Community may be developed or sold by the Declarant as it sees fit. If some or all of the Additional Real Estate is not added to the Community, or if any Units anywhere in the Community are combined, the Percentage Interests on Exhibit "D" of the Declaration may change, in accordance with a formula set forth in the Declaration. The Additional Real Estate is shown on the Plats and Plans attached to the Declaration as Exhibit "E".

Each Unit Owner must pay his or her share of the expenses of operating, maintaining and insuring all of the Common Elements, hereinafter referred to as the Common Expenses, subject to the provisions detailed herein. Each Unit which has been occupied at least once will be assessed a share of the Common Expenses equivalent to the Percentage Interest of that Unit. Until 66% of all Units contain a residence which has been occupied at least once, Units on which a completed residence is located, but which has never been occupied, and Units on which no residence has been completed or occupied will only be assessed a share of the costs of the services comprising Common Expenses for which a benefit is derived. Until such time as 66% of all Units contain residences which have been occupied at least once, Declarant will pay the difference between the assessments made by the Association and the actual cost of the services for which those assessments are made; provided, however, that if any expense is an extraordinary expense not reflected on the current budget of the Association, or if the actual cost of the expense is more than 20% greater than the amount shown on the current budget of the Association, the Association shall assess such cost against all Units in accordance with their Percentage Interest, and the Declarant will not be required to pay such expense except as to Units it owns.





The amount of these Common Expenses is determined in annual budgets established by an Executive Board, initially appointed by the Declarant, but elected by a majority of the Members of the Association upon the earlier of 180 days after Declarant has conveyed 75% of all Units to third parties, or seven (7) years after the recording of the Declaration.

The Association shall have a lien on any Unit for any assessment levied against such Unit or fines imposed against its Unit Owner which remains unpaid, together with interest thereon, as provided by law, from the time such assessment or fine becomes due.

Each Unit will be taxed separately for real estate tax purposes, including a proportionate share of the Unit Owner's Percentage Interest in the Common Elements. No Unit Owner is liable for the payment of real estate taxes on any other Unit. Similarly, no Unit is subject to the lien of a mortgage on any other Unit.

#### **DEVELOPMENT CHARGE**

The Association will be required to pay the Declarant a Development Charge of Two Thousand Four Hundred Dollars (\$2,400.00) per Unit developed anywhere in the Planned Community, to reimburse the Declarant for the costs it incurred in acquiring and developing the Common Elements and assuring their compliance with all environmental regulations, and otherwise maintaining them until transferred to the Association. This fee will be an element of the Common Expenses, and will be collected by the Association in the same manner as Common Expenses are collected. That Development Charge will be paid to the Declarant on a quarterly basis as to Units then owing such charge (Units containing a completed residence that has been occupied at least once), until fully paid, with payments due on the first day of each calendar quarter, and commencing once Common



Expenses are assessed against the Units. It is anticipated that the pro rata share of the Development Charge to be paid by each Unit will be Ten Dollars (\$10.00) per month, for 240 months (\$2,400.00 total per Unit), although the Association will have discretion in how it collects the Development Charge from its members. The Declarant may assign the right to receive the Development Charge at any time to any entity or financial institution, after it has given written notice to the Association.

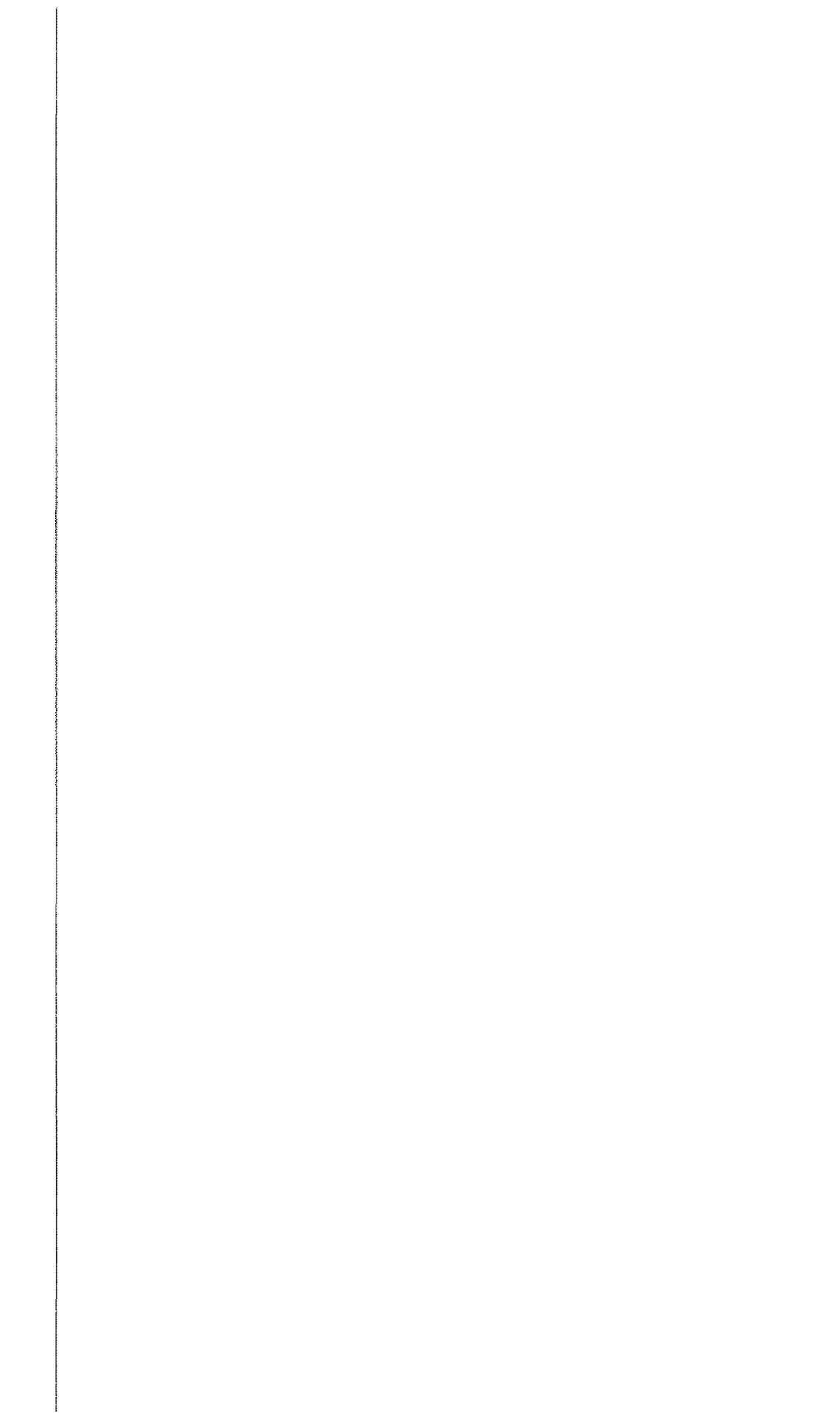
### The Declarant

Pine Crest Manor is being developed and created Pearce Mill Associates, L.P., a Pennsylvania limited partnership (jointly the "Declarant") the present fee simple owner of the land ("Real Estate") that encompasses the Community. The present address of Declarant is 772 Pine Valley Drive, Pittsburgh, PA 15239.

### Description of Pine Crest Manor

Pine Crest Manor is located in the Township of Pine, Allegheny County, Pennsylvania. The Declarant will develop, if all Additional Real Estate is added to the Community, a maximum of Seventy-five (75) Units, all to be used for single family residential purposes, and the Common Elements. The single family residences to be constructed on the Units will contain a mix of styles and amenities, as each Unit Owner chooses, in his or her sole discretion, subject to the restrictions contained in the Declaration.

Declarant will: i) where needed as shown on the grading plan approved by the Municipality, cause the buildable area of the Units shown on the Plats and Plans to be graded for construction of single family dwelling houses by the Unit Owners; ii) establish a storm water drainage system for the Community, including one or more detention ponds; iii) develop and pave



all streets connecting the Units within the Community; and iv) install or secure the installation of telephone, cable television, water, gas, electricity and sanitary sewage facilities to which each Unit may connect under the rules and regulations established by each utility or service provider. If Declarant does not sell all of the Units to Heartland Homes, Inc., or another single builder, Declarant will provide a list of approved builders with whom Unit Owners may contract for construction of a residence on a Unit if the Unit is not purchased by a builder with the intent of constructing a residence on the Unit for resale.

Upon conveyance by the Declarant of a Unit, the roadways and adjacent utility facilities necessary for use and enjoyment of such Unit shall have been completed, but the remainder of the Common Elements in the Community may not then have been completed.

Individual Units will consist of the space bounded by the boundaries of the Unit as shown, or to be shown, on the Plats and Plans, and as more particularly described in the Declaration.

Units may be combined during the period of Declarant control, subject to certain restrictions contained in the Act and Declaration.

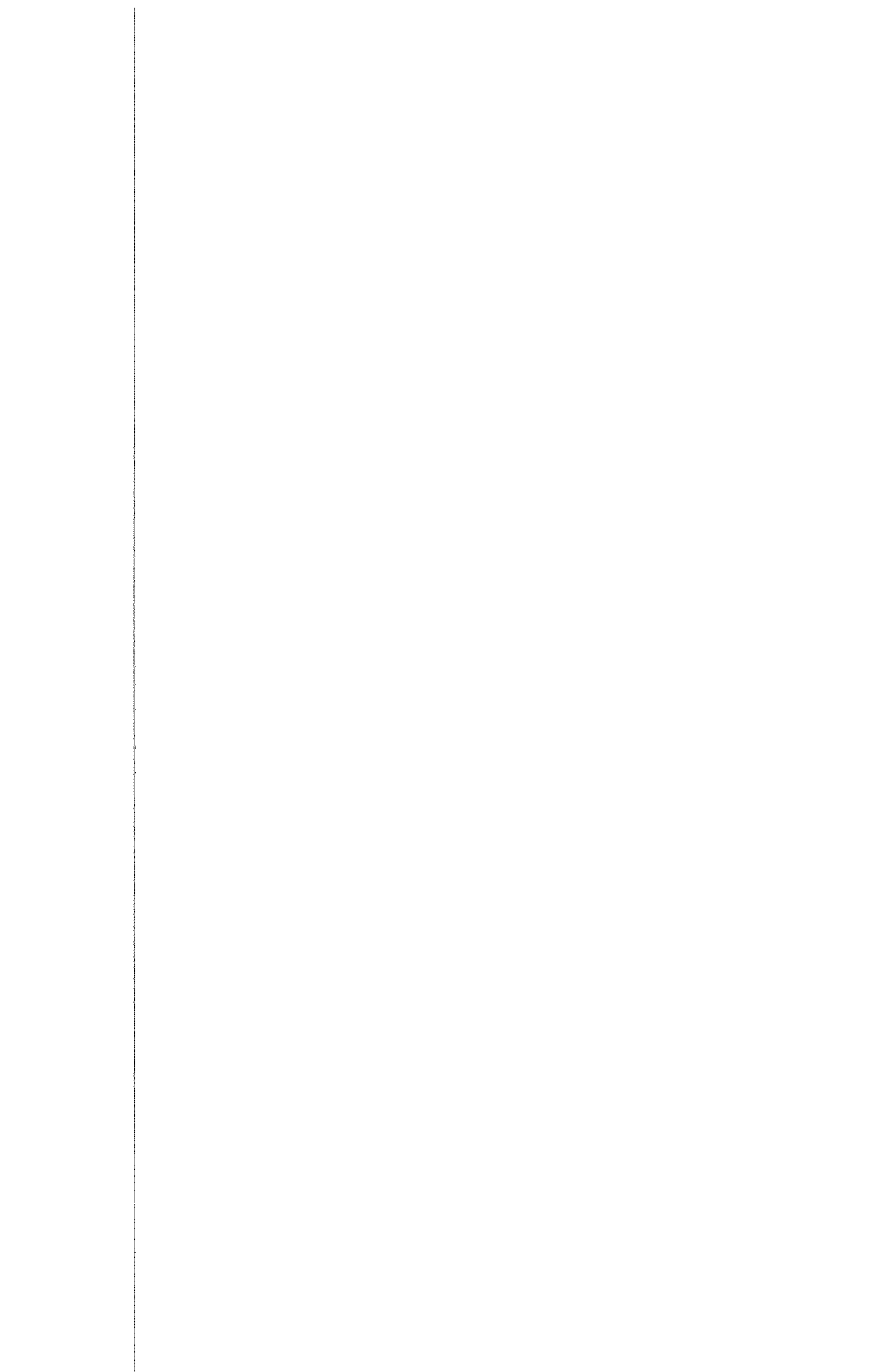
Water service will be provided by Municipal Authority of West View, and sanitary sewer service will be provided by McCandless Township Municipal Sanitary Authority. Each Unit will be able to connect to the water and sewage lines in the Community and thus be individually metered to monitor and be separately billed for water usage and sewage. Maintenance of the water and sewer lines leading to the Units will be the responsibility of the relevant Unit Owner(s) and/or the relevant utility and such lines will be installed in accordance with the specifications and under the

supervision of the above named providers of utilities. Electricity service for domestic use within the Community will be provided by Duquesne Light and will be capable of being individually metered to each Unit. Natural gas within the Community will be provided by Columbia Gas, and will be capable of being individually metered to each Unit.

Declarant has commenced site development and development of the Common Elements. Construction of single family residences on the Units may occur contemporaneously and subsequent to such development by Declarant. Completion of construction on all single family residences on Units, if no Additional Real Estate is added to the Community, is expected to occur by December 31, 2012. Completion of construction of all Common Elements is expected to occur by September 1, 2012. Completion of construction in the Additional Real Estate, if added to the Community, including any Common Elements which may be located in the Additional Real Estate, is expected to occur by December 31, 2014. However, the schedule is an estimate and is subject to a number of variables not within Declarant's control, such as 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 Community Documents

The Community Documents are part of this booklet. **The Declaration** is the formal, legal document which creates the Planned Community. It establishes and expresses the existence of the planned community, 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 the Association. The Declaration may only be amended by a sixty-seven percent (67%) vote of all

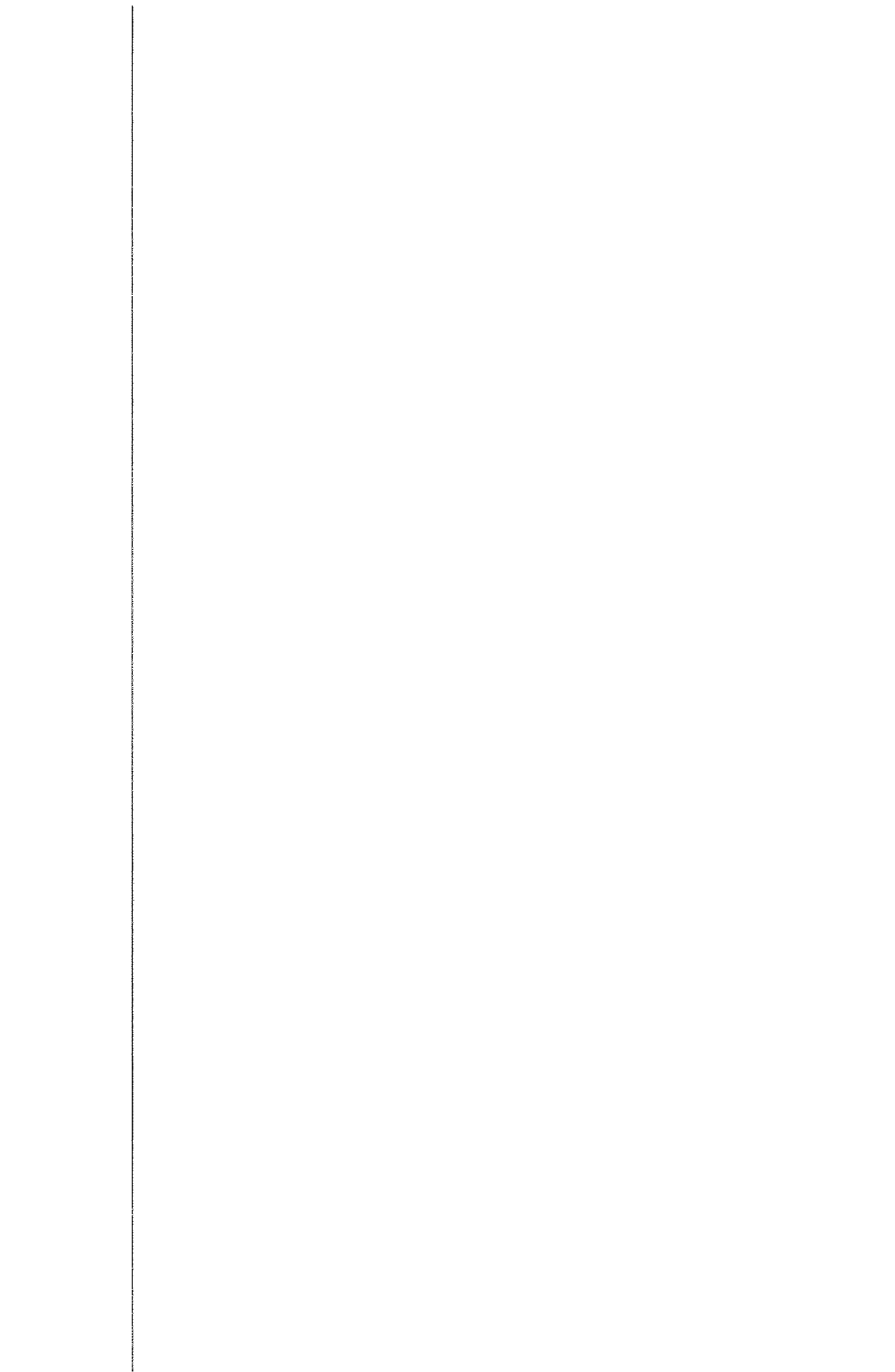




Unit Owners except for: i) amendments reflecting the addition of Additional Real Estate, the combining of Units, amendment of the Plats and Plans, any or all of which may be enacted by the Declarant alone; or ii) amendments by the Association as permitted under the Act, as defined in the Declaration, affecting, eminent domain, conversion of Units, or technical corrections, or iii) relocation of boundaries between Units; or iv) the termination of the Community, which requires at least an eighty percent (80%) vote of the Unit Owners; or iv) amendments affecting less than all Units, which by statute, only require the approval of 67% of the Units affected. In addition to the vote required, amendment of the Declaration may, in certain instances, also require the concurrence of the holders of mortgages encumbering the Units. The Declaration contains a number of restrictions concerning the use of the Units and Common Elements, including the right to maintain pets, and to cut trees and vegetation on the Common Elements and Units. It should be read carefully.

**The Bylaws** are the governing document setting forth the method of management of the Association. The Community, including Common Elements, is to be managed by the Association of Unit Owners through an Executive Board. The Association is comprised of all of the Unit Owners. The daily affairs of the Association are to be managed by the five (5) person Executive Board all of whom shall be appointed by Declarant until twenty-five (25%) percent of the Units have been conveyed by Declarant to Unit Owners, at which time the Declarant shall hold a meeting of all Members other than Declarant to elect two (2) of the five (5) members of the Executive Board to replace the appointees of Declarant. See Section on Executive Board.

The Declaration and the Bylaws are very complex documents. Copies of these documents are attached for review by you and any legal counsel or other advisors you may elect to retain.

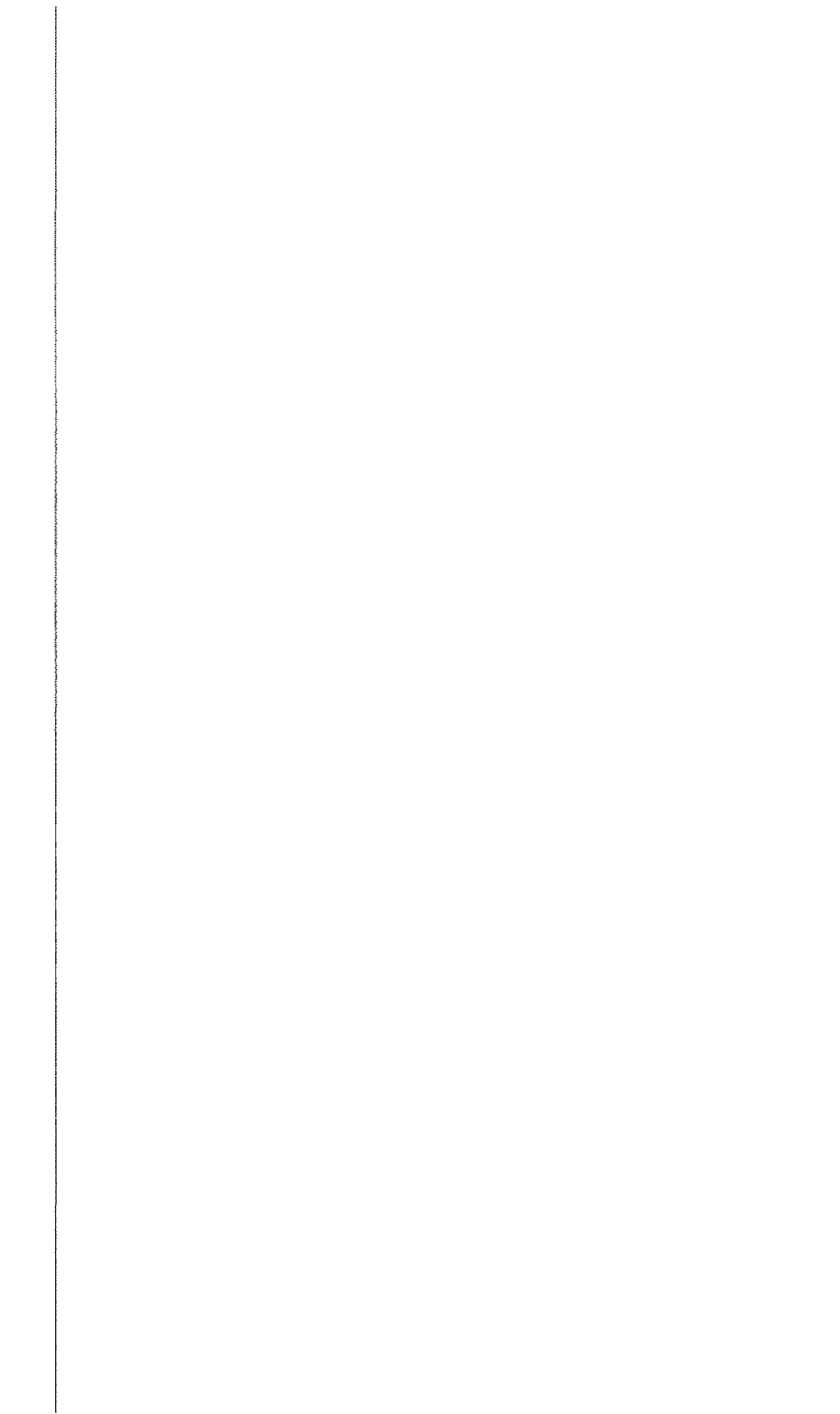


Some of the significant features of the Declaration and Bylaws are described below, but if there is any conflict between the description contained in this Public Offering Statement and the actual text of the Community Documents, the Community Documents will control.

**The Agreement of Sale**, a form of which is included with this Public Offering Statement, is the contract by which Declarant will sell a Unit to a purchaser other than a builder. If you purchase a Unit from a builder (including Heartland Homes, Inc.) and not from Declarant, your Agreement of Sale may be different from the one attached to this Public Offering Statement.

Units may be developed only for single family residential purposes subject to Declarant's rights to use or assign the use of Units on which a temporary sales or management office may be located. The Community Documents do not contain any limitation on the sale or transfer of Units. Single family residential dwellings constructed on a Unit may be leased pursuant to a written lease, but no lease may be for a term of less than one (1) year or for less than the entire Unit. Unit Owners are required to notify the Executive Board of any sale or lease of Units, are required to provide the prospective purchaser, if the Unit is to be sold, with a Resale Certificate in the form of Exhibit "A"(including builders who are reselling the Unit after construction of a residence thereon), and, if the Unit is to be leased, are required to provide the Association with a copy of each lease for a Unit prior to its effectiveness.

Under the Declaration, the Executive Board may promulgate Rules and Regulations governing the use of the Community. 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. Such Rules and Regulations may govern, among other things, the use of Common Elements and the ownership and enjoyment of pets in the Community.

### Mortgages

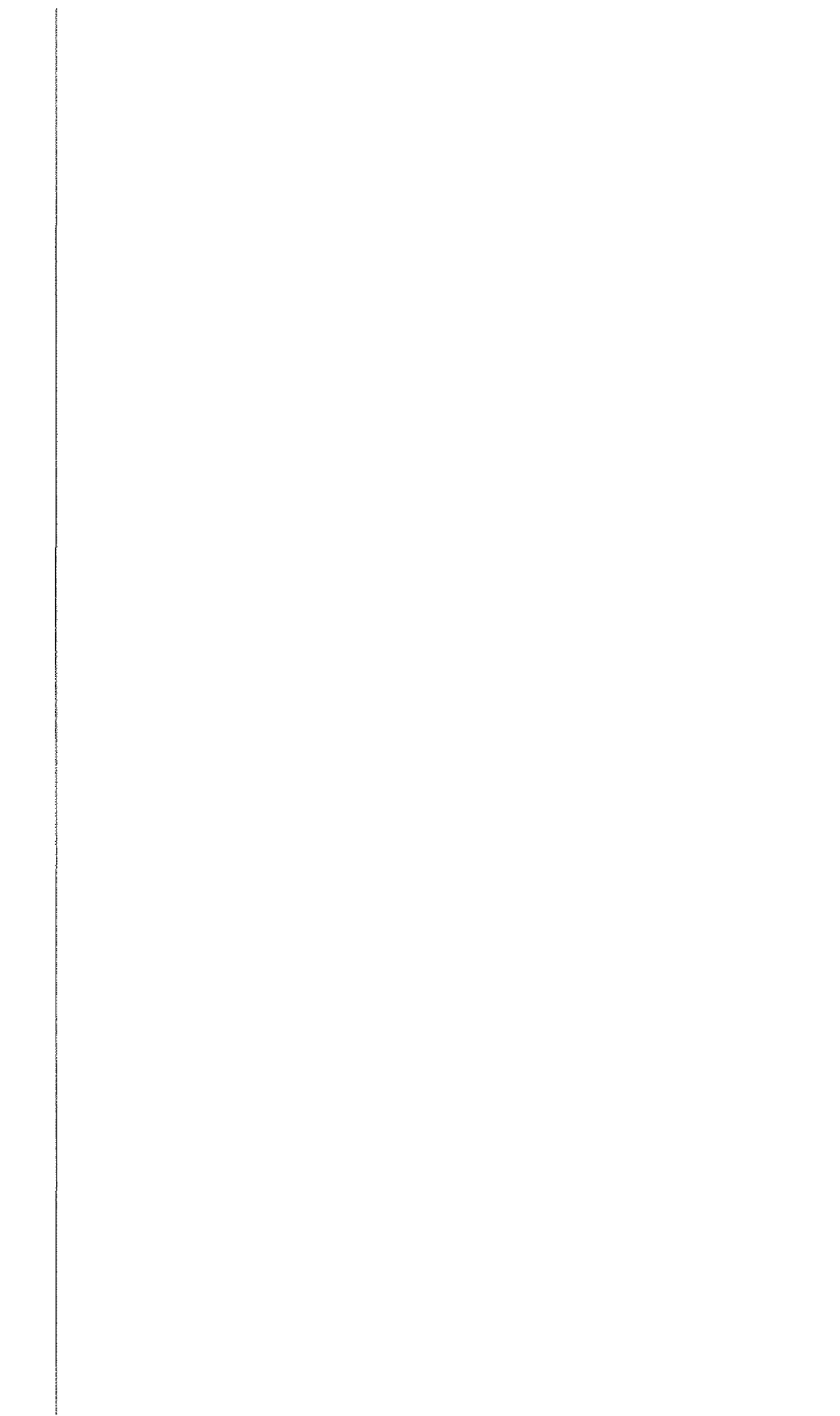
Unit Owners may place certain mortgages on their Units. Generally, a mortgage is permitted if it is given to the seller of the Unit, the Declarant, or a financial institution.

### Maintenance

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. Costs associated with maintenance of the Common Elements will be assessed as a Common Expense. If the Association shall fail to maintain the Common Elements and the Township of Pine believes the condition of the Common Elements poses a risk of harm to persons or property and/or violates the laws and regulations of the Municipality, the Municipality has the right to come into the Community and maintain the Common Elements, with the costs of such maintenance assessed against all Unit Owner as a Common Expense.

### Executive Board

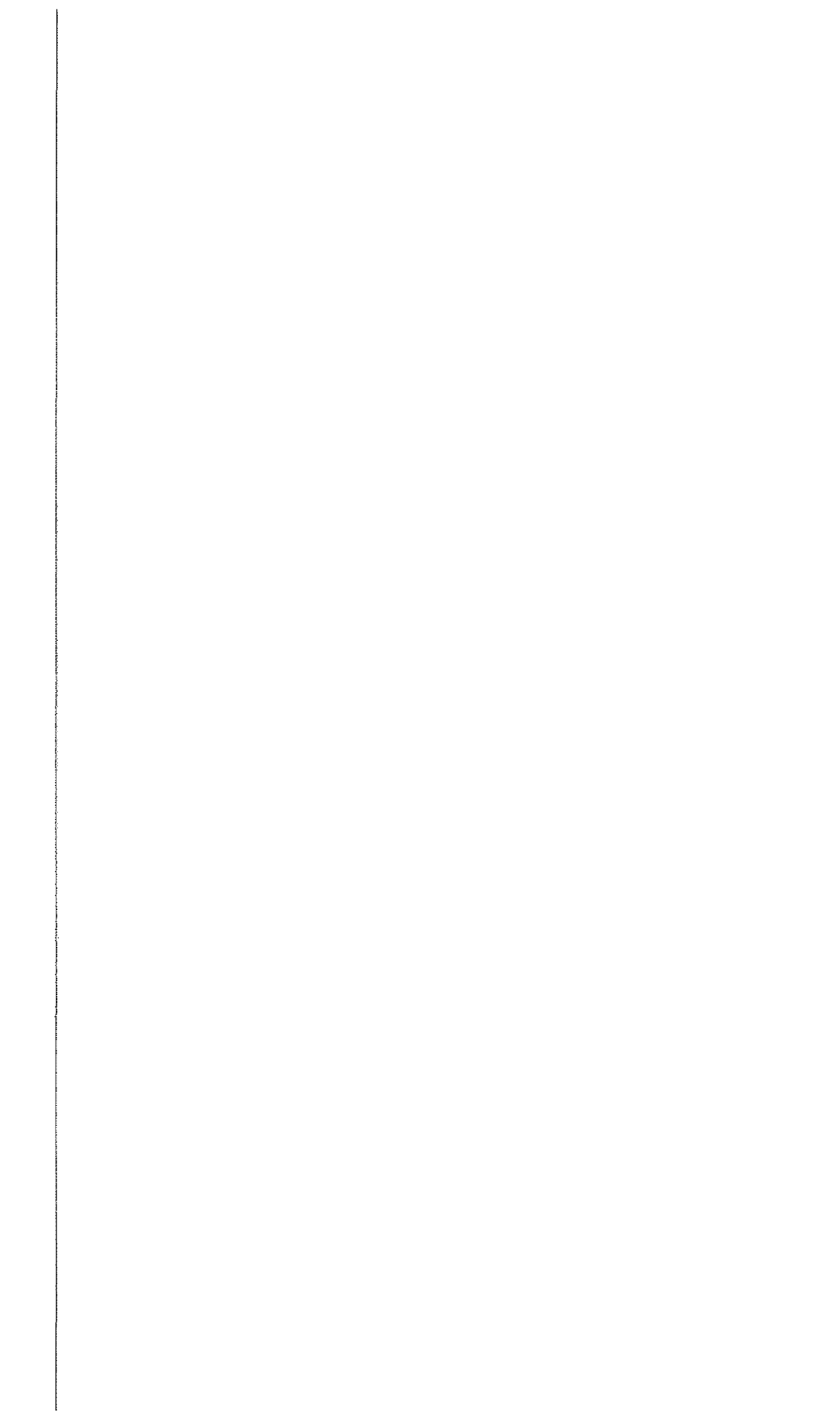
The Association is comprised of all of the Unit Owners. The daily affairs of the Association are to be managed by the Executive Board, which will consist of five (5) persons. The Executive Board shall initially be appointed by Declarant. Declarant will also have the right to remove any of its appointees at any time. Not later than one hundred eighty (180) days after 75% of the contemplated Units have been conveyed to Unit Owners other than the Declarant, but in no event 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 for each Unit it owns) will then elect the entire Executive Board. After such meeting of Unit Owners, a majority of the members of the Executive Board must be either Unit Owners or partners, shareholders, or officers of entities that are Unit Owners. Annual meetings of the Association will take place on the second Thursday of March of each year, beginning in the year 2013. Each Unit will have one (1) vote at meetings of the Association. The Declarant will be entitled to vote all votes allocated to Units which it owns, except as limited by the Act.

The Executive Board is required to meet at least twice yearly. Its responsibilities include the approval of capital expenditures, the establishment of a budget for each fiscal year and the assessment against each Unit of a portion of the funds necessary to operate under such budget. A two-thirds (2/3) majority of all Members may, however, reject any budget or capital expenditure approved by the Executive Board, within thirty (30) days after such approval. If the budget is rejected, the Association shall continue to operate under its prior budget until such time as the Executive Board shall adopt a budget which is not rejected as above provided.

Once sixty-six percent (66%) of all Units contain residences that have been occupied at least once, including Units in Additional Real Estate, each Unit's assessment for Common Expenses shall be equal to that of every other Unit, since all will have the same Percentage Interest. Until that time, assessments will be based on the benefit derived by the Unit for the service for which the assessment is made, with the Declarant paying the difference between the amounts thus collected and the actual cost, subject to restrictions described above. If the amount assessed and collected by the Executive Board during any year is not sufficient to cover the actual Common Expenses of the Community, the Executive Board may make additional assessments of Common Expenses for the





fiscal year against Units, based on the benefit derived if before 66% of all Units contain residences occupied at least once. Any assessment which a Unit Owner does not pay when due becomes a lien against such Unit Owner's Unit enforceable under the Act and in accordance with the Bylaws, which provide for a late charge of five percent (5%) of each overdue assessment as well as interest at the rate of fifteen percent (15%) 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 five percent (5%) of the aggregate of all budgeted expenses for the fiscal year, such expenditures must have the prior approval of two-thirds of all Members, at either a regular meeting or a meeting called for such purpose.

The Executive Board elects its own officers, who may or may not be members of the Executive Board. The Executive Board elected by Members may employ a professional management agent for the Community on such terms as the Executive Board determines are appropriate.

Prior to such time as the Executive Board is elected by the Members, Declarant will not cause the Association to enter into (1) any management contract, employment contract or lease of recreational 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 upon ninety (90) or fewer days notice.

#### Association Budget and Other Financial Matters

If, as of the effective date of this Public Offering Statement, the Association has any balance sheet, the same is attached hereto. If no such balance sheet is attached, it is only because as of such



date the Association has no balance sheet, having received no payments and having transacted no business. A projected Budget for the Association for the twelve (12) month period from January 1, 2012 to December 31, 2012 is attached hereto. Such budget was prepared by Declarant based upon the ownership by other than Declarant of all Seventy-five (75) Units by Unit Owners throughout such one year period, who would pay full Common Expenses as described above. The budget includes a reserve for maintenance and a small contingency reserve for unanticipated expenses. The budget provides no other reserves, such as for material capital expenditures and there is no factor for inflation. There are no expenses paid or provided by the Declarant which may later constitute Common Expenses which are not reflected on the budget.

The reserve fund will be established by an initial working capital contribution by the purchaser of a Unit, collected at the time of the closing on the sale of that Unit; provided that builders purchasing a Unit with the intent of resale after construction of a residence thereon may delay payment of the capital contribution until resale of the Unit. The amount to be paid is equal to two (2) monthly assessments under the attached budget, that is \$\_\_\_\_\_. The reserve fund will be maintained through the Common Expenses and the initial contributions of new Unit Owners.

**THIS CHARGE MAY CHANGE AS OCCUPANCY INCREASES AND COSTS BECOME MORE ASCERTAINABLE.**

Any decisions regarding charges to be imposed on the use of the Common Elements will be made by the Association. No such charges have been imposed as of the date of this Public Offering Statement.



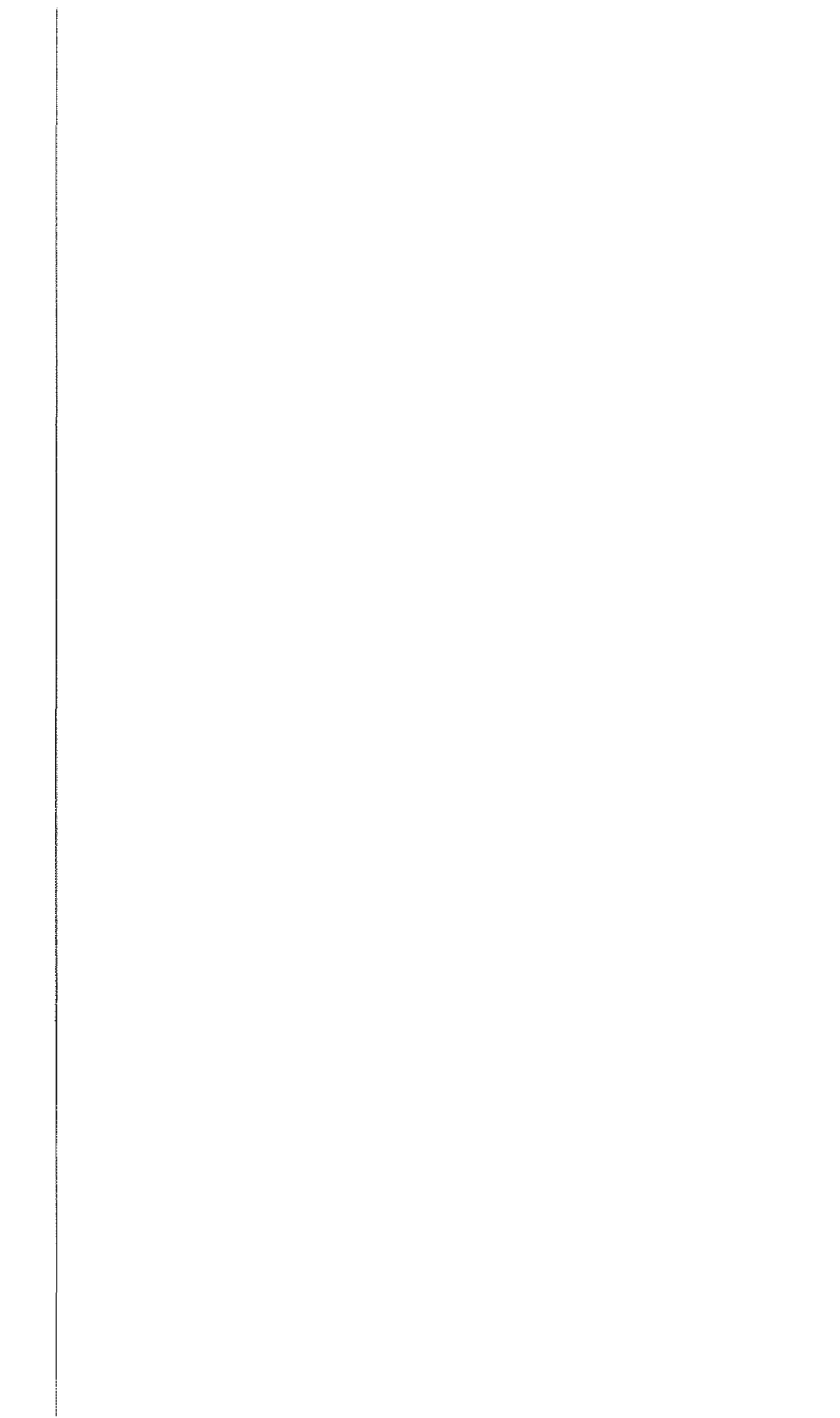
Each year the Budget will cover all anticipated Common Expenses for the upcoming fiscal year. The Budget will also include whatever amount the Executive Board considers necessary as an adequate reserve to provide for unforeseen contingencies, working capital and repair or replacement of Common Elements. The figures contained in the Budget are, of course, estimates and the Declarant cannot be certain that sufficient funds have been budgeted to cover all Common Expenses that may be incurred. In the event that insufficient funds are budgeted for any given year, the Executive Board may levy a special assessment to make up the Budget deficit. Any special assessment for Common Expenses will be payable as directed by the Executive Board, and, until 66% of all Units contain residences that have been occupied at least once, assessed against Units based on the benefit derived from the service for which the special assessment is made.

A Unit Owner must pay directly all of the costs of maintenance and repair for his or her own Unit.

All of the amounts assessed against a Unit give rise to a lien on that Unit. The Unit Owner cannot dispose of his or her Unit free of the lien, until the lien is satisfied by payment of the assessments secured by the lien. The Association may obtain payment of past due assessments by foreclosure of the lien (resulting in a sale of the Unit) or by suing the Unit Owner.

#### Liens and Encumbrances

The Community is subject to an easement for construction and sales activities in favor of Declarant or its assigns (as set forth in the Declaration), to easements for utility services, to an easement in favor of the Declarant to correct drainage in the Community, to an encroachment easement, and to other easements more specifically set forth in the Declaration attached. There are



no other liens and encumbrances affecting the Community as of the effective date of this Public Offering Statement, except for the lien in favor of S & T Bank.

### Voting

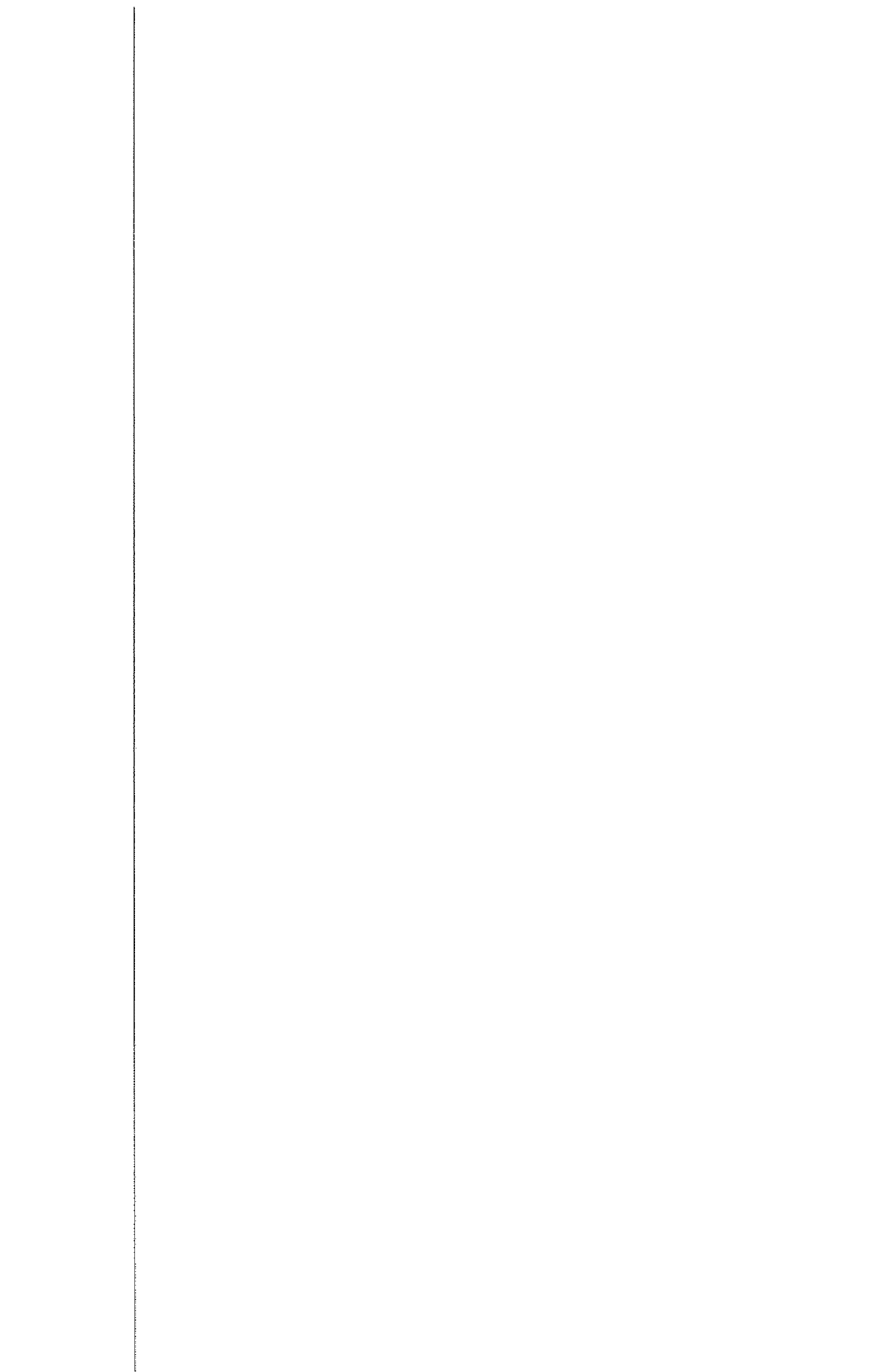
Each Unit will have one vote in the Association.

### Governmental Approvals, Permits and Other Requirements

The Community has been approved by the Township of Pine in accordance with the provisions of its zoning ordinance, and the subdivision of the Property has been recorded in the office of the Recorder of Deeds of Allegheny County, Pennsylvania on \_\_\_\_\_, Deed Book Volume \_\_\_\_\_ and Page No \_\_\_\_\_.

Each Unit Owner shall be responsible for obtaining his or her own building permit and occupancy permit from the Township of Pine prior to commencement of construction and/or occupancy of a single family residence on a Unit, whichever is applicable, and shall provide the Association with a copy of the building permit before the commencement of construction and a copy of the occupancy permit before anyone is permitted to reside in any single family residence constructed on a Unit.

There are no outstanding and/or uncured notices of violations of governmental requirements arising from the Property (as defined in the Declaration) and/or any work performed by the Declarant.





### Description of Financing

Declarant is not acquiring mortgage financing for purchasers of the Units. Prospective purchasers should inquire about the financing then available prior to signing an Agreement of Sale for a Unit.

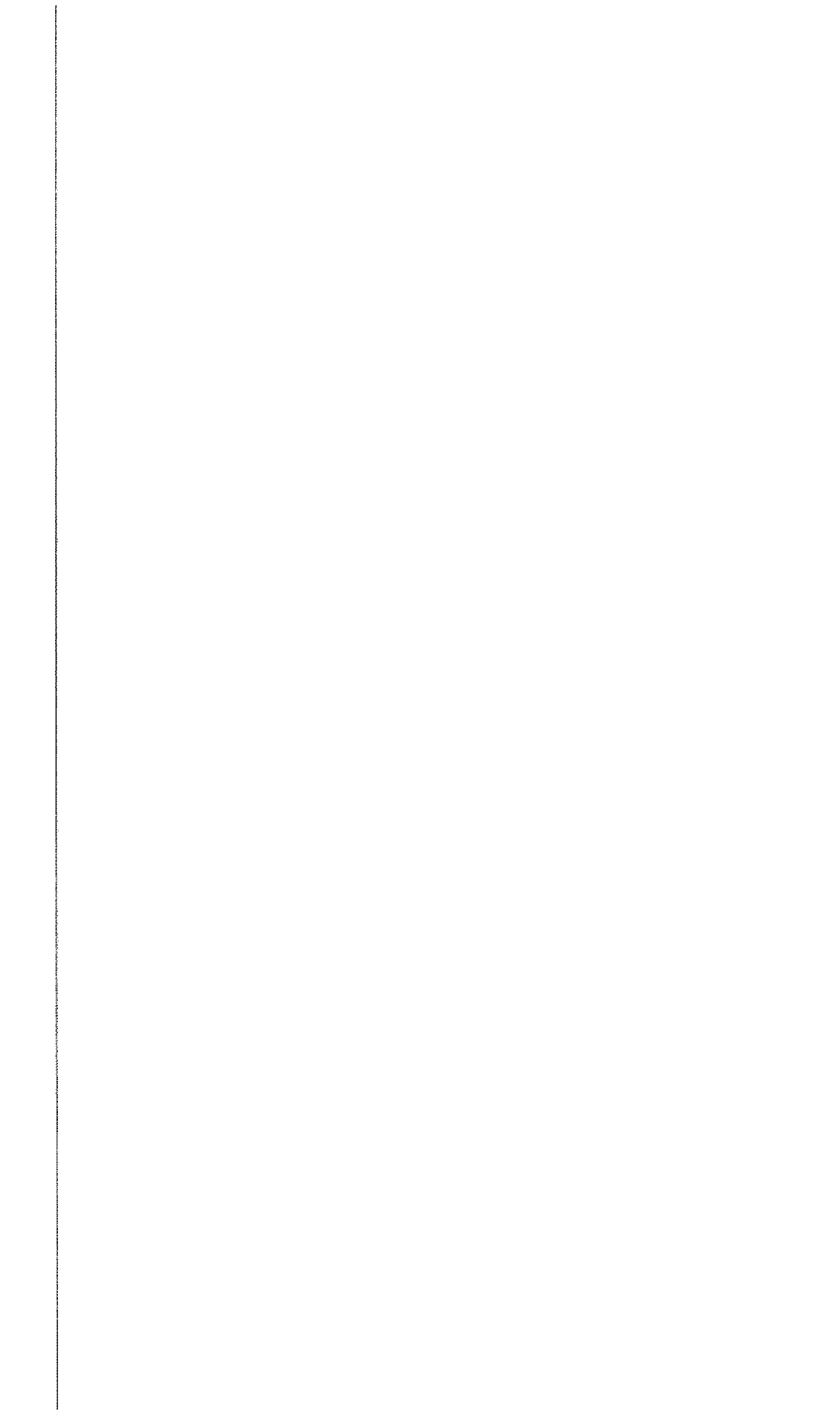
### Warranties

Declarant shall warrant against structural defects in the Common Elements. For the purpose 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 Element below acceptable standards, or (B) restrict the normal intended use of all or any part of the Common Element and which require repair, renovation, restoration or replacement.

Declarant further warrants that all grading work done on the Units shown on the Plats and Plans 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 Elements and/or Units. The warranty described above will expire two (2) years after completion of the relevant Common Elements.

**THESE ARE THE ONLY WARRANTIES GIVEN TO THE PURCHASER BY DECLARANT, EXCEPT THE WARRANTY OF TITLE. EXCEPT AS SET FORTH ABOVE, THERE ARE NO OTHER WARRANTIES OR REPRESENTATION OF ANY**

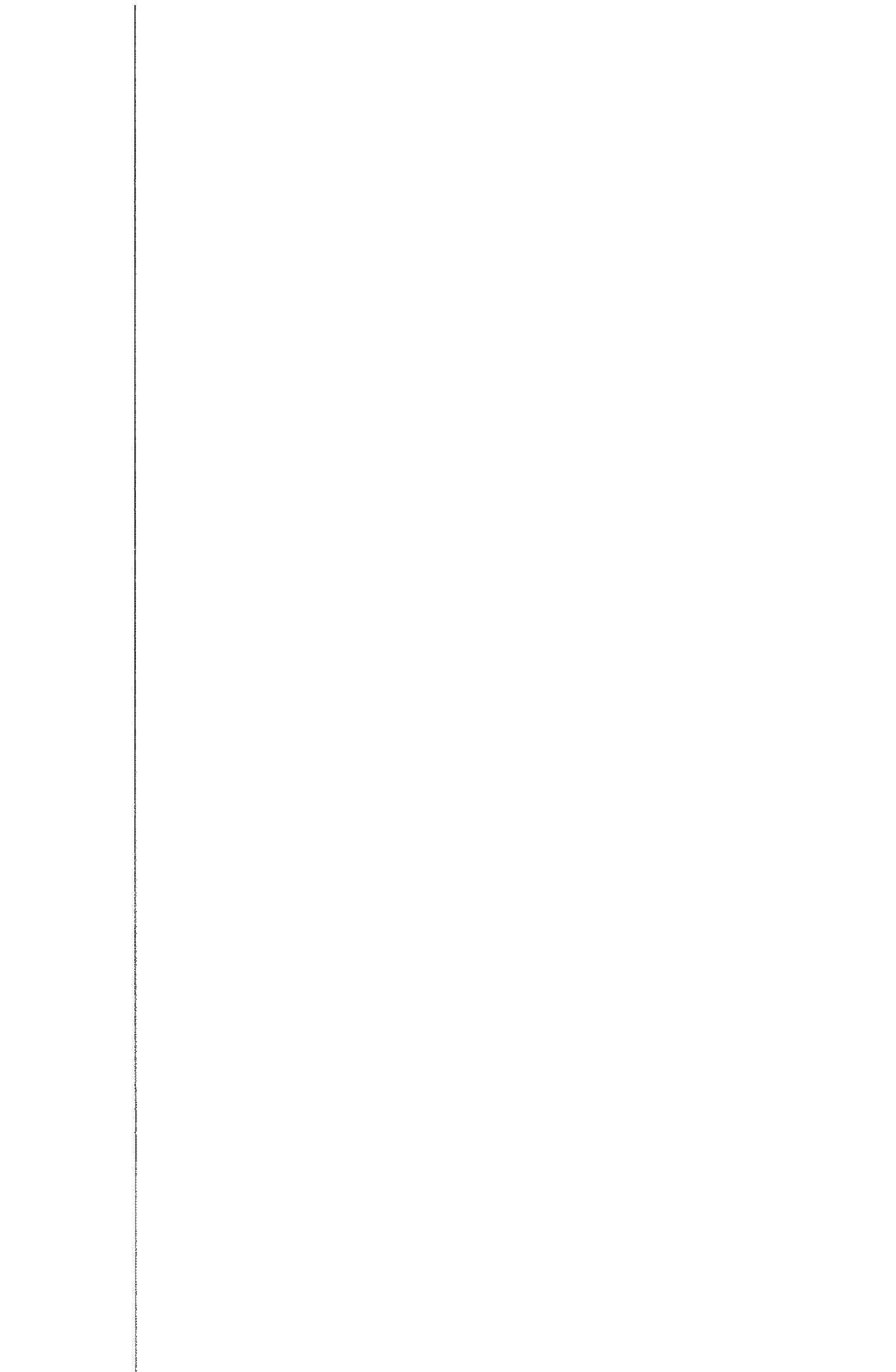


**KIND, EXPRESSED OR IMPLIED AS TO SYSTEMS, APPLIANCES OR EQUIPMENT. DECLARANT DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE UNITS, AND APPURTENANCES THERETO, BECAUSE, WITH THE EXCEPTION OF THE COMMON ELEMENTS, DECLARANT IS NOT RESPONSIBLE 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.**

The Declarant has caused an environmental study to be done on the Real Property comprising the Community, which study concluded that there are no Hazardous Conditions existing in the Community. Declarant has no knowledge of any one or more of the following:

(1) Hazardous Conditions, including contamination, affecting the Community site by hazardous substances, hazardous wastes or the like, or the existence of underground storage tanks for petroleum products or other hazardous substances.

(2) Any finding or action recommended to be taken and any report of any investigation or by any governmental body, agency or authority, in order to correct any Hazardous Conditions, or



of any action taken pursuant to those recommendations. Information concerning environmental conditions affecting the Community may be obtained from the Department of Environmental Resources and the United States Environmental Protection Agency located at the addresses listed below:

Pennsylvania Department of Environmental  
Protection Agency  
400 Waterfront Drive  
Pittsburgh, PA 15222-4745  
Phone Number: (412) 442-4000

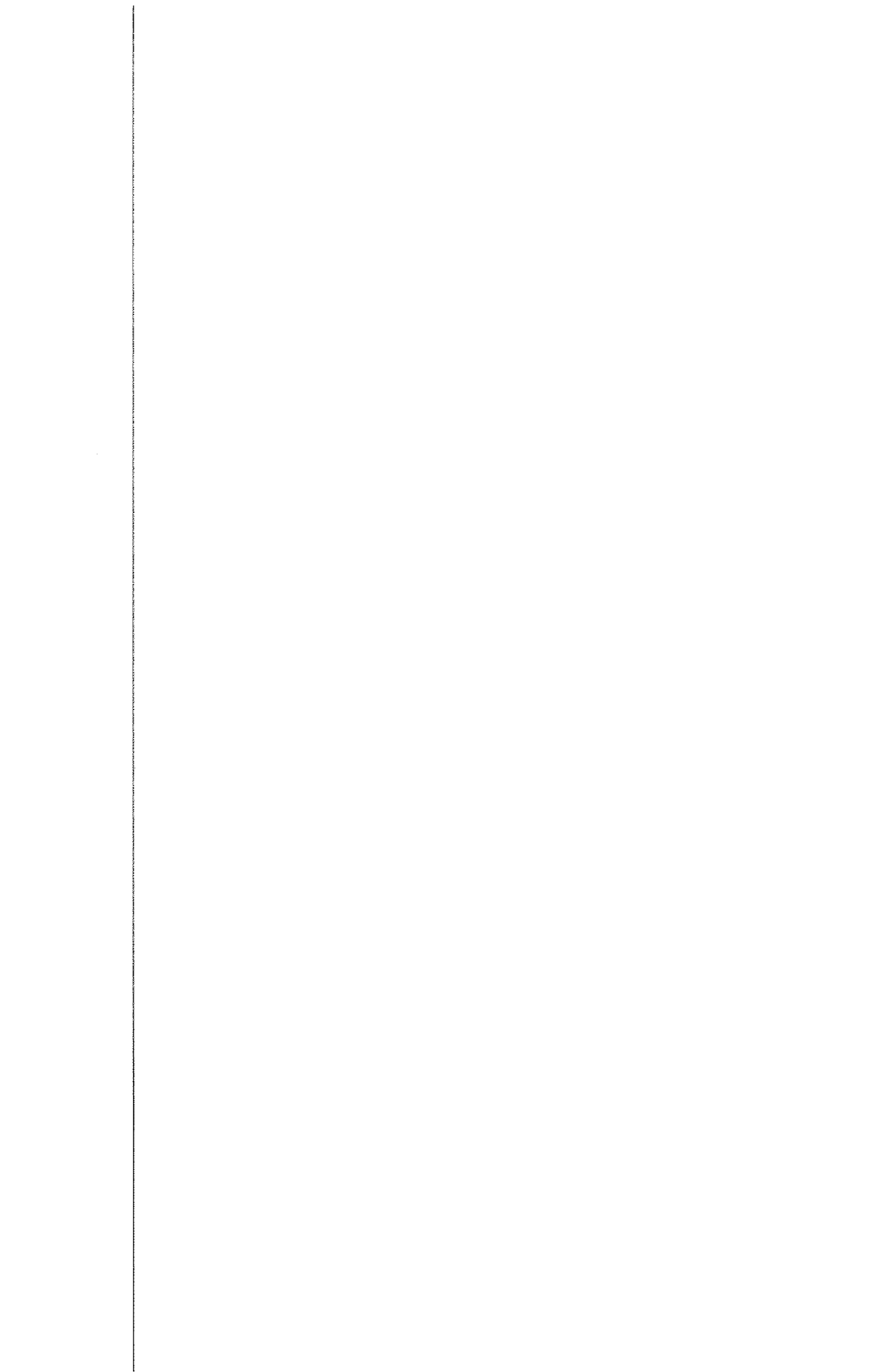
Environmental Protection Agency  
William S. Moorehead  
Federal Building - Grant Street  
Pittsburgh, PA 15222  
Phone Number: (412) 442-4124

#### Judgments and Lawsuits

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

#### Deposits

Any deposits made in connection with the purchase of a Unit from Declarant shall be held by Declarant, in an escrow account in accordance with the provisions of Section 5408 of the Act. Any such deposit will be returned to the purchaser if he or she cancels an Agreement of Sale pursuant to Section 5406 of the Act. Any deposit paid by you to a builder (including Heartland Homes, Inc.) who has purchased a Unit from Declarant will be held in accordance with the terms of the Agreement of Sale between the purchaser and builder.



### Restraints on Alienation

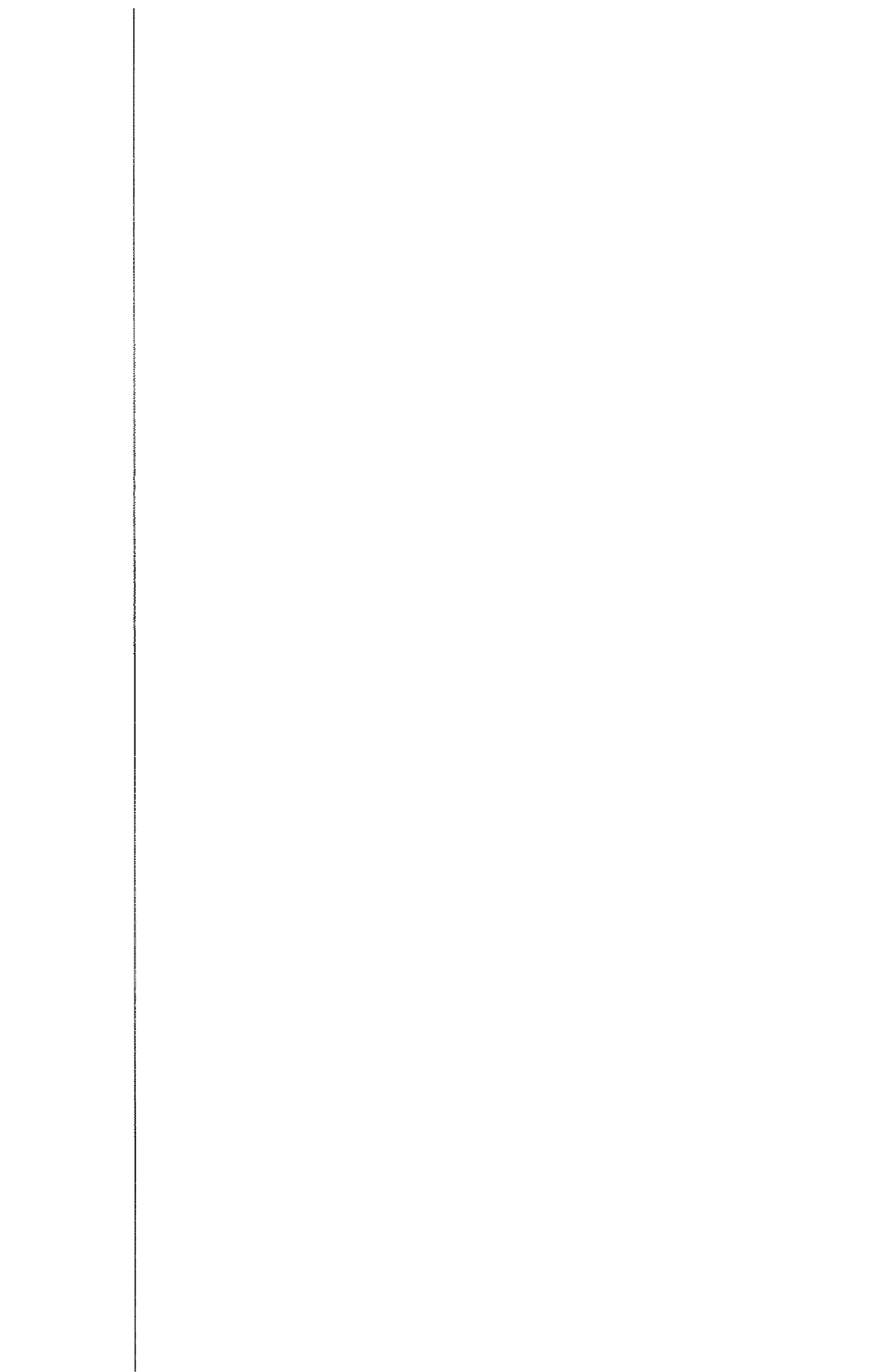
There are no restraints on alienation of any portion of the Community. As noted above, however, a Unit Owner may not lease or sublease all or any portion of his or her Unit except as provided in the Declaration or give a mortgage on his or her Unit except as permitted by the Declaration and the Act.

No single family residential dwelling constructed on a Unit may be leased initially for less than a one (1) year term, and any such lease must be for the entire Unit. All leases must be written and must provide that failure to comply with the Community Documents and rules and regulations, if any, constitutes a default under the lease. Copies of all such leases must be provided to the Association prior to effectiveness.

### Insurance Coverage

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

(1) Property insurance on the Common Elements and Controlled Elements (if they can be insured separately from the Unit on which contained), insuring against all common risks of direct physical loss. **UNITS AND IMPROVEMENTS AND BETTERMENTS INSTALLED ON ANY UNIT BY ITS UNIT OWNER 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 100% of the replacement cost of the insured property, exclusive of land, excavations, foundations and similar items. All proceeds of this policy will be payable to the Association.





(2) Comprehensive general liability insurance, including medical payments insurance, covering all occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership or maintenance of the Common Elements.

In addition, the Association shall obtain:

(1) Directors and Officers Liability Insurance insuring the directors and officers of the Association from liability for their acts and omission related to their service as officers and directors of the Association unless such action or inaction is determined to have constituted willful misconduct, self-dealing or recklessness. The coverage amount will be \$100,000 per director and/or officer unless the Board of Directors, after consultation with an insurance agent, determines another coverage amount should be obtained.

(2) Such other policies of insurance as the Executive Board deems appropriate.

Each such policy shall provide coverage for Unit Owners (in their capacity as Unit Owners), members of the Executive Board and any management agent, shall be in such amounts as are above specified or, such greater amounts, or amounts if not specified, as the Association shall determine, shall require the insurer to waive its right of subrogation under the policy against any Unit Owner or member of the immediate family of the Unit Owner, shall provide that no action or omission by a Unit Owner may void the policy or a condition of recovery unless such Unit Owner was acting within the scope of his or her authority as an officer or member of the Executive Board of the Association, and shall provide that such policy shall be primary as to any loss for which other insurance in the name of a Unit Owner may also provide coverage. **EACH UNIT OWNER**



**SHALL MAINTAIN HIS OR HER OWN LIABILITY, PROPERTY AND PERSONAL PROPERTY INSURANCE FOR HIS OR HER OWN UNIT. COSTS OF ALL INSURANCE COVERAGE REQUIRED TO BE HELD BY THE ASSOCIATION ON THE COMMON ELEMENTS SHALL BE APPORTIONED EQUALLY AMONG ALL UNIT OWNERS AS SET FORTH HEREIN.**

The Unit-Owner shall maintain the following insurance on his or her own Unit:

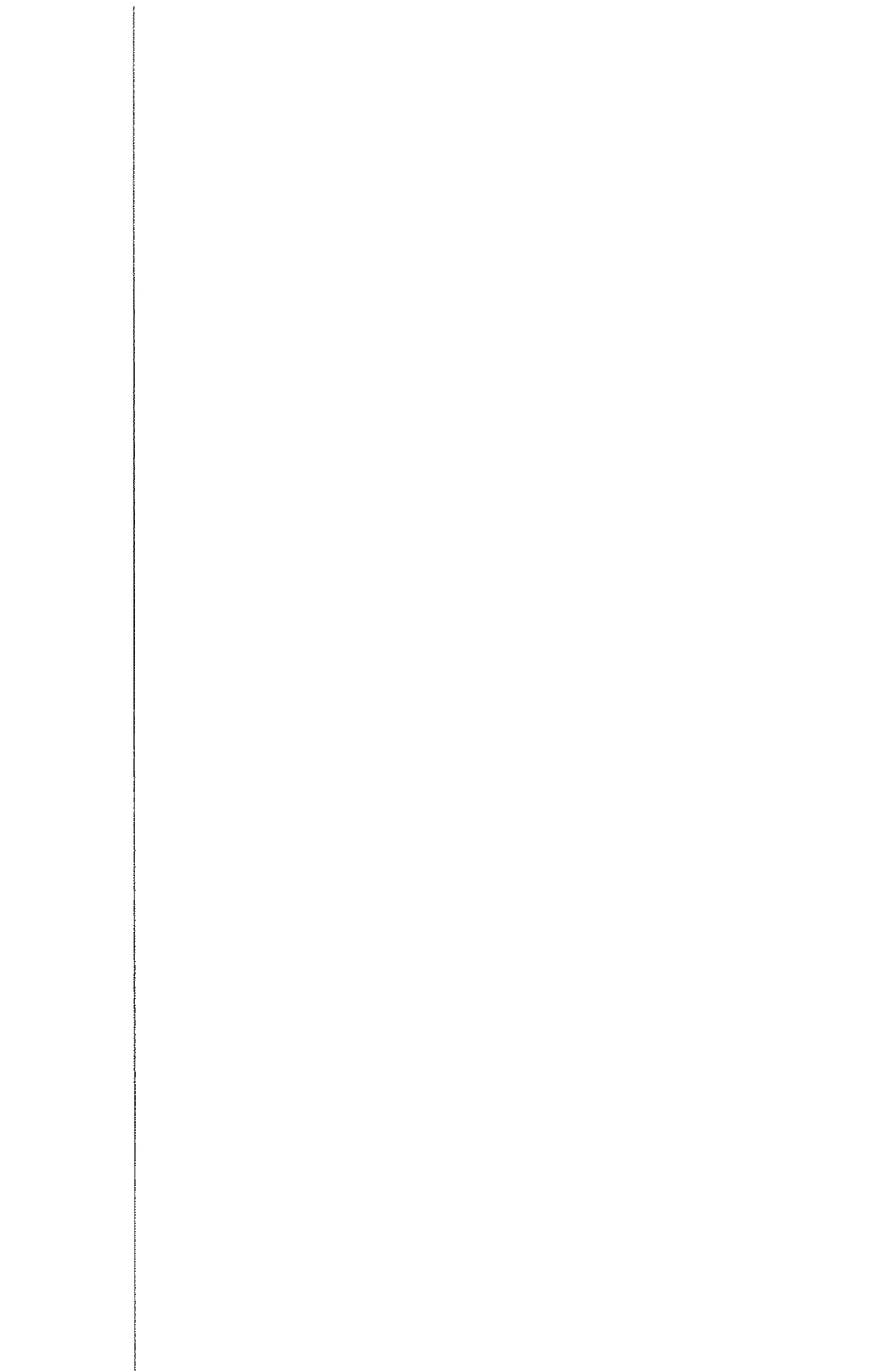
(1) Property insurance insuring against all common risks of direct physical loss. The total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the full replacement cost of the insured property, including excavation, foundation and other items normally included in property policies.

(2) Comprehensive general liability insurance, including medical payments, in an amount determined by the Executive Board but not less than \$300,000.00 covering all occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership or maintenance of the Unit.

Any portion of the Community for which insurance is required to be maintained by the Association by this Declaration and which is damaged or destroyed shall be repaired or replaced promptly by the Association unless:

(1) The Community is terminated;

(2) Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or



(3) 80% of the Unit Owners, including every owner of a Unit benefited by the Common Facility which will not be rebuilt, vote not to rebuild.

The cost of repair or replacement of those portions in excess of insurance proceeds and reserves is a Common Expense. If pursuant to the above the Common Elements will not be replaced or repaired, the land in question shall be restored to its pre-construction condition to the extent reasonably possible.

Any portion of the Community for which insurance is required to be retained by the Unit Owner by the Declaration and which is damaged or destroyed shall be repaired or replaced promptly by the Unit Owner unless:

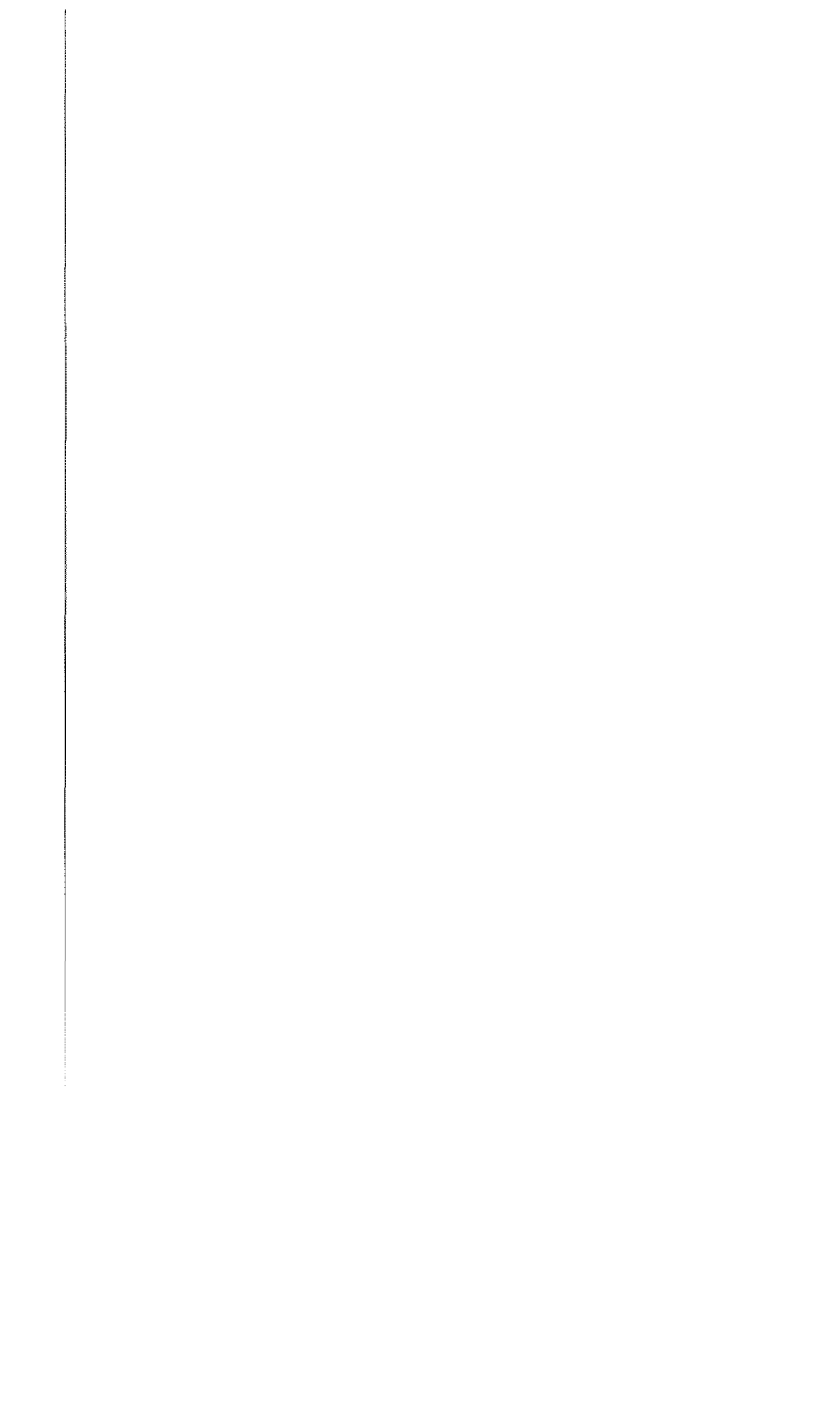
(1) The Community is terminated;

(2) Repair or replacement would be illegal under any state or local health or safety statute or ordinance;

(3) 80% of the Unit Owners, including every owner of a Unit benefited by the Common Facility which will not be rebuilt, vote not to rebuild; or

(4) The portion to be repaired or replaced was maintained by the Association, in which case the proceeds of such insurance shall be assigned to the Association which shall promptly repair or replace the portion damaged or destroyed unless one of the conditions specified in subsections (1), (2) or (3) shall exist.

The cost of repair or replacement of these portions of the Units in excess of insurance proceeds is the Unit Owner's expense. The Unit Owner's insurance shall list the Association as an additional insured and shall provide that the insurance may not be canceled until thirty (30) days



after notice of the proposed cancellation has been sent to the Association. If the Unit Owner does not promptly repair or replace the Unit which are the Unit Owner's responsibility to repair or replace, the Association may demand that all of the proceeds of the insurance be paid to the Association. If pursuant to the above, the damaged or destroyed property is not going to be replaced or repaired, the land in question shall be restored to its pre-construction condition to the extent reasonably possible.

#### Fees and Charges

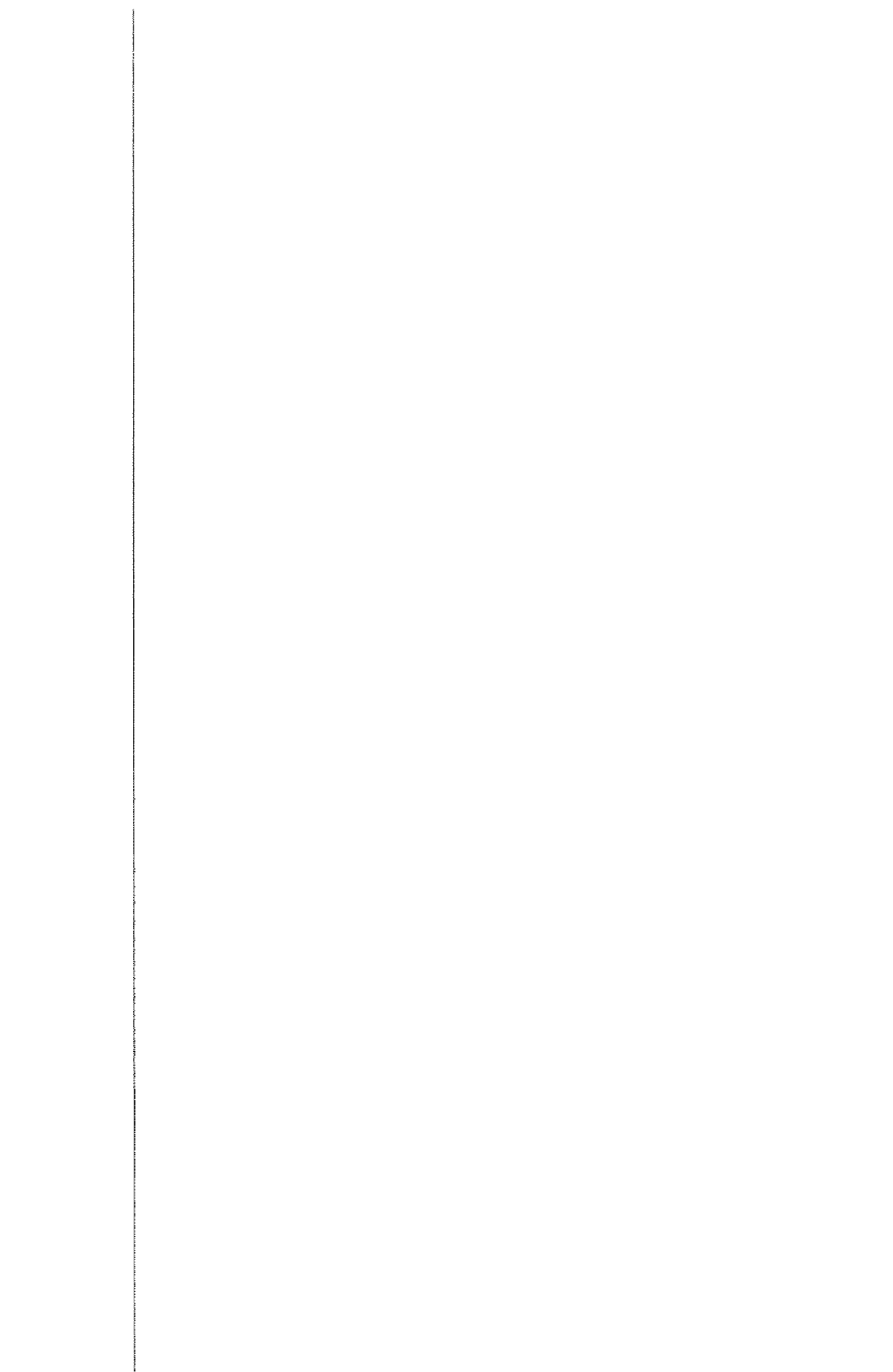
Except for the Common Expenses assessments and initial reserve deposit referred to above, Declarant does not expect to cause or have any other charges imposed upon the Unit Owners for the use of Common Elements.

#### Reserves

Reserves have been provided in the attached budget of the Association. A more complete description of such reserves is set forth under the heading "Budget" above and in the budget itself.

#### Completion of Improvements

As noted above, Declarant has agreed to improve or develop certain Common Elements. Declarant has made arrangements to (i) assure the availability of financing for the completion of such items and (ii) assure the availability of casualty insurance proceeds for the restoration of such items if they are damaged or destroyed prior to the transfer of such items to the Association.





### Structural Components, Etc.

All structural components and major utility installations of the Common Elements in the Community will be new when installed and will have been constructed within one (1) year immediately preceding the date on which they will have been annexed to the Community. The Association, however, shall have no responsibility for maintenance and repair of the structural components and major utility installations of the Common Elements because each such facility and utility installation is a public improvement to be maintained by either Murrysville Township or the appropriate utility.

### Violation of the Building Code

There are no outstanding notices of uncured violations of the building code and municipal regulations.

### Reservation of Rights

Declaration reserves the right to amend this Public Offering Statement and shall promptly report any material change in the information.

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 UNIT WITHIN THE PLANNED COMMUNITY KNOWN AS PINE CREST MANOR. SINCE IT IS AN ABBREVIATED FORMAT, PROSPECTIVE PURCHASERS SHOULD ALSO REFER TO THE COMPLETE DOCUMENTS REFERRED TO IN THIS BOOKLET FOR COMPLETE INFORMATION.

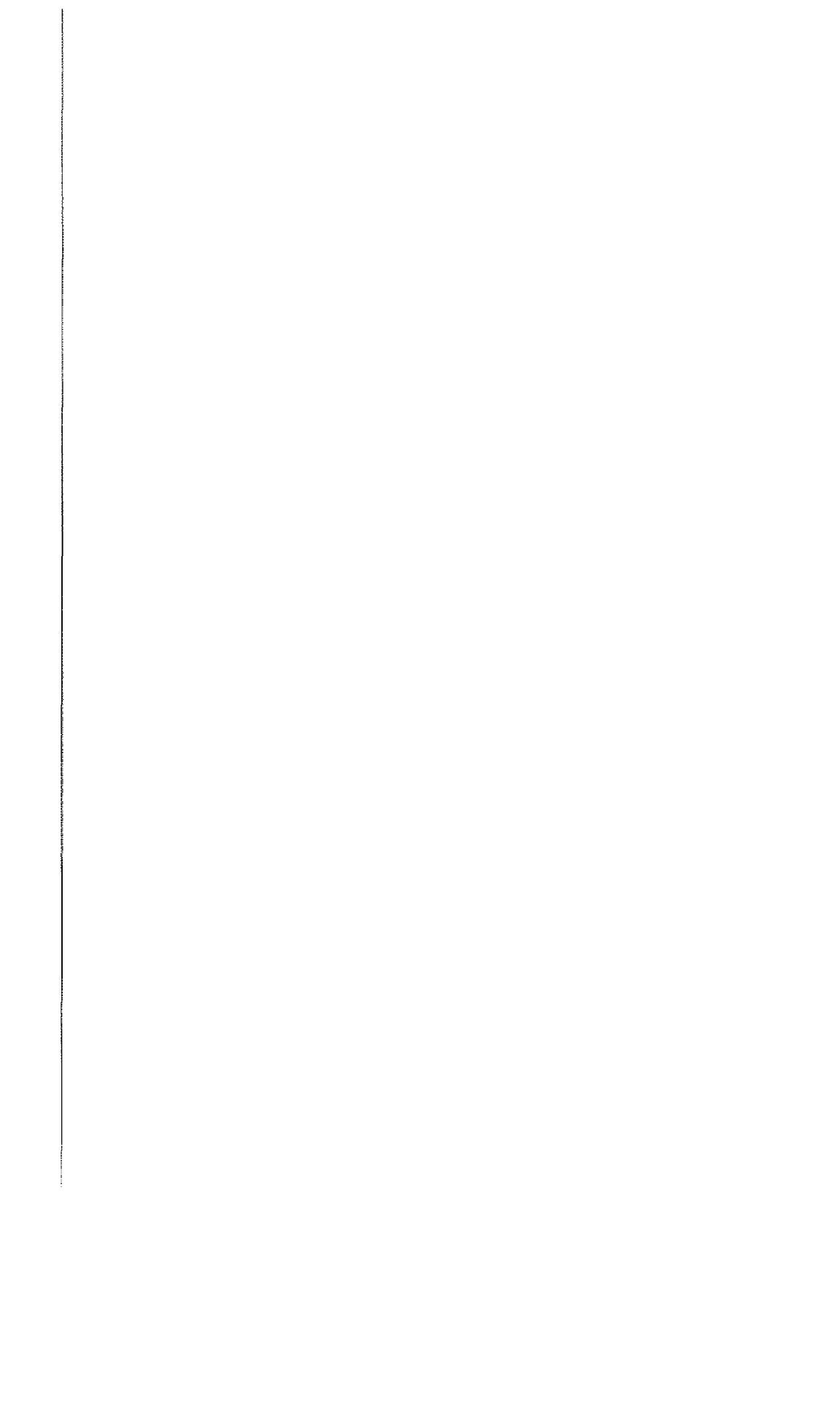


EXHIBIT "A"

RESALE CERTIFICATE

**HOMEOWNERS ASSOCIATION OF PINE CREST MANOR**

RESALE CERTIFICATE  
UNDER SECTION 5407 OF THE  
PENNSYLVANIA UNIFORM PLANNED COMMUNITIES ACT

Name of Selling Unit Owner: \_\_\_\_\_  
Unit Being Sold: \_\_\_\_\_  
Date of Resale Certificate: \_\_\_\_\_

THE HOMEOWNERS ASSOCIATION OF PINE CREST MANOR (hereinafter "the Association") PROVIDES THIS RESALE CERTIFICATE IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 5407 OF THE PENNSYLVANIA UNIFORM PLANNED COMMUNITIES ACT.

1. The current forms (including amendments) of the Association's Declaration (excluding plats and plans), the Bylaws of the Association and the Rules and Regulations of the Association are attached to this Certificate.
2. There are no rights of first refusal or other restraints on the free alienability of the Unit, other than restrictions on leasing of Units.
3. The current monthly common expense assessment is \$\_\_\_\_\_. There (are \_\_\_\_\_ are not \_\_\_\_\_) unpaid common expenses or special assessments currently due and payable from the Selling Unit Owner. If so, the amount of unpaid common expenses or special assessments now due is \_\_\_\_\_. There (are \_\_\_ are not\_\_\_) surplus fund credits applicable to this Unit. If so, the amount of credit is \_\_\_\_\_.
4. There are no other fees currently payable by Unit Owners to the Association except as follows:



5. The Association proposes or intends to propose the following capital expenditures during the period \_\_\_\_\_ - \_\_\_\_\_ (2 year period):

6. The Association currently has approximately \$\_\_\_\_\_ in reserves for capital expenditures. None of these reserves have yet been allocated to any designated project except as follows:

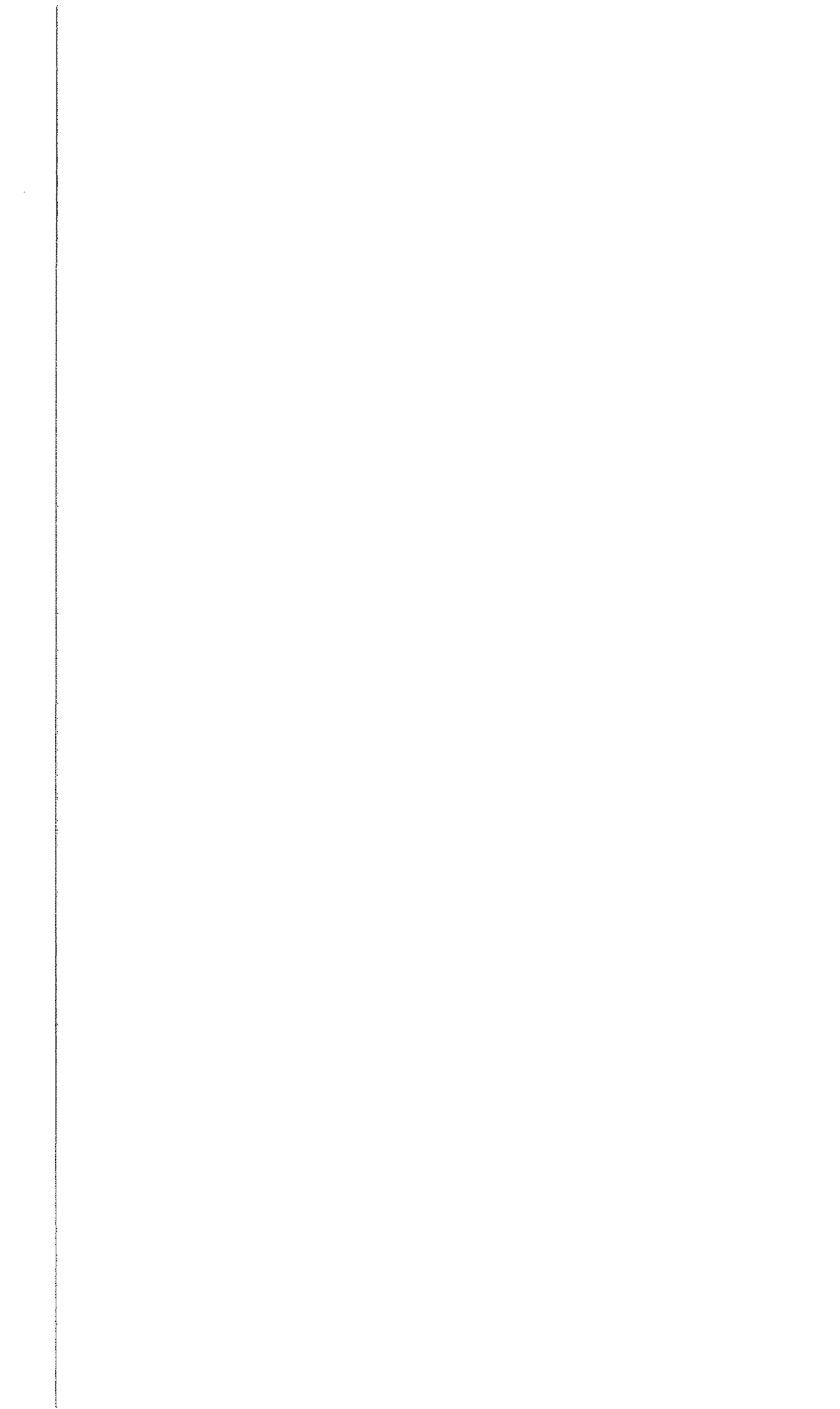
7. The most recent regularly prepared balance sheet and income and expense statement of the Association is attached to this Certificate.

8. The current operating budget of the Association is attached to this Certificate.

9. There are no judgments against the Association and no pending suits to which the Association is a party except as follows:

10. The insurance certificate attached to this Certificate describes the insurance coverage currently provided by the Association for the benefit of Unit Owners.

11. Any alterations and/or improvements made to the Unit, and to the limited common elements assigned to the Unit, do not, to the knowledge of the Association, violate any provision of the Declaration, except as follows:



12. The Executive Board has no knowledge of:

i) any violations of governmental requirements, except as follows:

ii) the existence of any hazardous conditions with respect to the Unit, the limited common elements assigned to the Unit, or any other portion of the planned community, except as follows:

13. The remaining term of any leasehold estate affecting the community and the provisions governing any extension or renewal of such leasehold estate are as follows:

14. The Declaration does not provide for cumulative voting or class voting.

15. An agreement to terminate the planned community (has \_\_\_\_\_ has not \_\_\_\_\_) been submitted to the Unit Owners.

16. The planned community (is \_\_\_ is not \_\_\_) now a master association or part of a master association, [but the Declaration provides that the Condominium could become a master association or part of a master association].**STRIKE IF INAPPLICABLE**

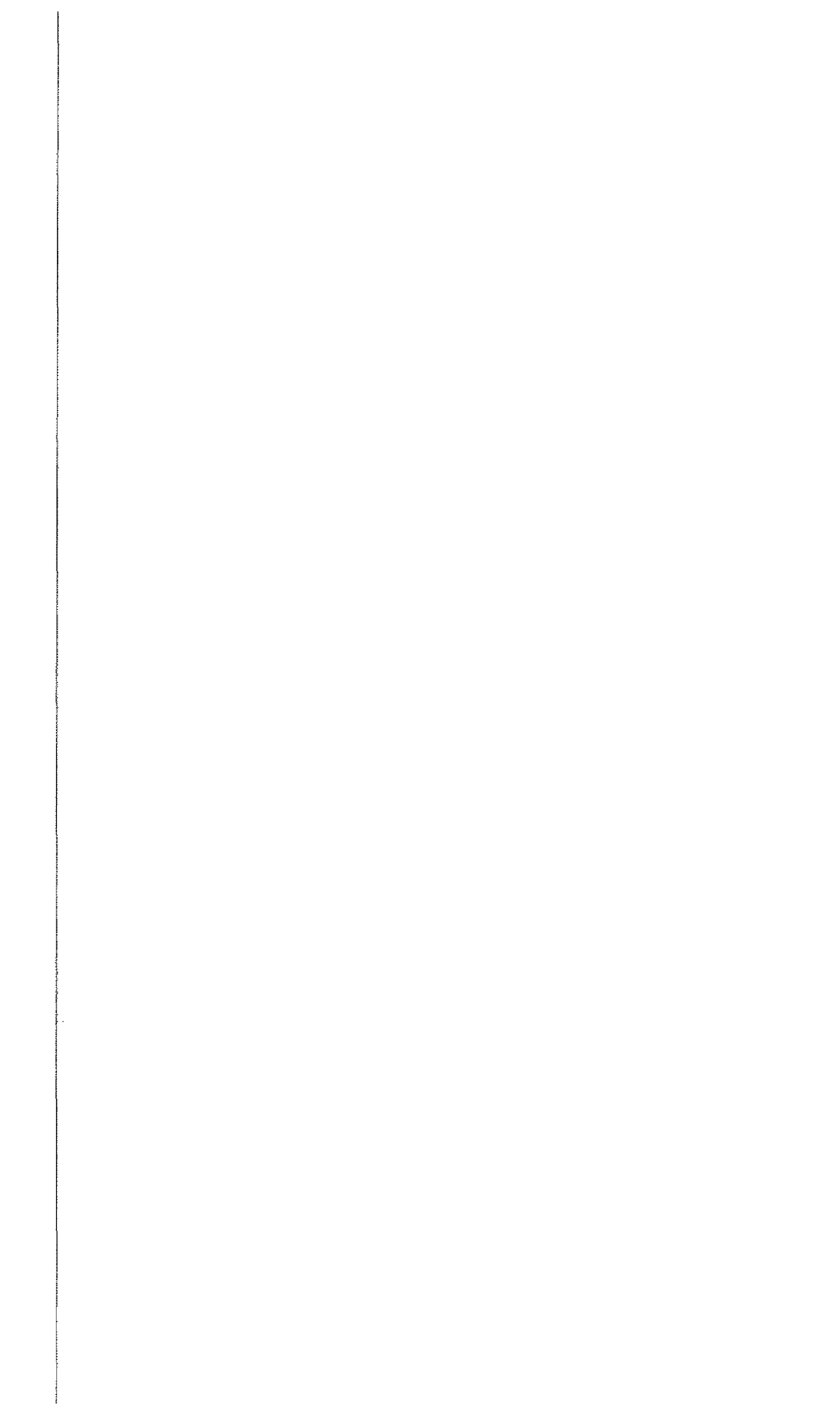
17. No Units may be owned in time share estates.

18. The Declarant has not retained any special declarant right to cause a merger or consolidation of the planned community.

THIS RESALE CERTIFICATE IS SIGNED BELOW BY AN AUTHORIZED SIGNATORY ON BEHALF OF THE ASSOCIATION.

HOMEOWNERS ASSOCIATION OF PINE  
CREST MANOR

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_





Attachments:

- A. Declaration (including all amendments)
- B. Bylaws (as amended)
- C. Rules and Regulations (as amended)
- D. Proposed Budget
- E. Insurance Certificate

