RILEY SETTLEMENT

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MARSHALL HEIGHTS, A PLANNED COMMUNITY

ARTICLE I
SUBMISSION AND DEFINITIONS

SGS Associates, LLC, a Pennsylvania limited liability company ("Declarant"), owner in fee simple of the real property described in Exhibit A attached hereto and made a part hereof, located in Marshall Township, Allegheny County, Pennsylvania hereby submits the real property, including all easements, rights and appurtenances thereunto belonging, the improvements to be erected thereon (collectively the "Property") to the provisions of the Pennsylvania Uniform Planned Community Act 68 Pa. C.S.A. 5101 et seq. (the "Act") to the extent applicable and hereby creates with respect to the Property a planned community to be known as Marshall Heights, a Planned Community (the "Community"). The Community shall consist of a maximum of one hundred nineteen (119) townhome units.

Section 1.1. Association. Marshall Heights Homeowners Association, a Pennsylvania unincorporated association, its successors and assigns, established by Declarant. The Association shall have the sole and exclusive authority to maintain, repair and improve Common Property and shall have the right to enforce the covenants, conditions and restrictions set forth herein.

Section 1.2. Common Property. All real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners including, but not limited to, the common area driveways located between and behind Lots 111, 112, 113, 114, 115, 116 117, 118, 119, 120 and 121 ("Common Area Driveways") and all streetlights, landscaping, common maintenance, common repairs and snow removal activities in the Plan. Other real or personal property may be hereafter conveyed, from time to time, to the Association as Common Property.

Section 1.3. Common Property Assessments. Assessments for the maintenance and preservation of the Common Property, lawn service on each Lot, yearly mulching of landscaping beds and replacement of shrubs and trees originally planted by the Declarant.

Section 1.4. Declarant. SGS Associates, LLC, a Pennsylvania limited liability company, its successors and assigns, if such successors or assigns should acquire one or more Lot(s) which is part of the Property from the Declarant for the purpose of site development and/or construction, provided such person or entity is engaged in the residential development and/or construction business at the Property.

Section 1.5. Declaration. This Declaration of Covenants, Conditions and Restrictions and any amendments, supplements or restatements pertaining hereto.

Section 1.6. Lot. Any plot of land and any designation of Units shown upon the Plan, or on any exhibit attached to this Declaration or to any amendment or supplement hereto,

with the exception of Lots 101 and 102 and the Common Property. If a designation of a Unit does not result in an actual corresponding constructed Unit, a "Lot" shall mean and refer to an area upon or in which each separate Unit may be constructed.

Section 1.7. Member. An Owner entitled to membership as set forth herein.

Section 1.8. Owner. Any one (1) or more persons who hold the record title to any Lot or Unit which is part of the Community, but excluding Lots 101 and 102 and in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 1.9. Plan. The Marshall Heights Plan of Lots as recorded in the Recorder's Office of Allegheny County, Pennsylvania in Plan Book Volume 255, page 146.

Section 1.10. Reserve Fund. The Association may establish and maintain a reserve fund for replacement of any part of the Common Property as the Association deems appropriate. To initiate the Reserve Fund, the Declarant shall collect from each Owner at the time of settlement the sum of One Hundred Dollars ($100.00) and shall remit said amount to the Association.

Section 1.11. Special Common Property Assessments. Special charges imposed by the Association upon Owners to maintain, improve and repair Common Property, if the Common Property Assessments are insufficient to pay for the cost of such items.

Section 1.12. Unit. A structure or any portion of a structure situated upon the Property which is designated and intended for use and occupancy as a townhome unit.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 2.1. Membership. Every Owner of a Lot except Lots 101 and 102 shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership and/or occupancy of a Lot or Unit.

Section 2.2. Joint Owners. If more than one person holds an interest in a Lot, all such persons shall be Members of the Association; provided, however, that the Owners' votes shall be exercised as such persons among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot or Unit not owned by Declarant. If such Owners cannot agree, they shall forfeit the vote.

Section 2.3. Declarant Control. Declarant shall control the affairs of the Association until the earlier of five (5) years after the first Lot or Unit is sold to an unrelated third party, or such earlier time as seventy-five (75%) of all Lots or Units have been sold by Declarant to unrelated third parties. Any sales to any builder who is constructing the initial Unit on a Lot

shall not be applicable for purposes of determining the Declarant Control Period as set forth in this Section 2.3.

ARTICLE III
COMMON PROPERTY

Section 3.1. Title to Common Property. Upon the sale of seventy-five (75%) percent of all Lots or Units and completion of the improvements on the Common Property, title to the Common Property shall be conveyed to the Association under and subject to all prior grants and reservations of coal, oil, gas, mineral and mining rights, rights of way, building line, building and use restrictions, all exceptions, easements and conditions as the same may be and appear in proper instruments of record, including those set forth herein and supplements hereto, or similar instruments. The Association shall hold, own, maintain and preserve the Common Property, in accordance with this Declaration. Declarant shall maintain the Common Property until title is transferred to the Association.

Section 3.2. Streets. Declarant intends that all streets in the Community shall be dedicated to and accepted by Marshall Township.

Section 3.3. Personal Property and Real Property for Common Use. The Association may acquire, hold and dispose of tangible and intangible personal property and real property. The Association shall accept any real or personal property, leasehold, or other property interests within or comprising the Property conveyed to it by the Declarant including but not limited to any open space, sidewalks, sedimentation pond(s) and entranceways.

ARTICLE IV
COVENANT FOR ASSESSMENTS

Section 4.1. Creation of Lien and Personal Obligation of Assessment. Each Owner covenants and agrees to pay Common Property Assessments. The aforesaid assessments, together with interest, costs and reasonable attorney's fees, shall be a personal charge on each Owner and shall bind such Owner's Lot or Unit. The personal obligation for delinquent assessments shall pass to each Owner and its successors in title except for those mortgagees who have acquired title from an Owner who was a mortgagor.

Section 4.2. Basis of Assessment. Common Property Assessments shall be shared equally among Owners on a per Unit basis.

Section 4.3. Purpose of Assessments. Common Property Assessments shall be used for the establishment, improvement and maintenance of the Common Property, the payment of Common Property insurance and repair, replacement and additions thereto, reasonable reserves for replacement, the cost of labor, equipment, materials, management and supervision incurred in connection therewith, and all other costs and expenses relating thereto. Common Property Assessments shall also be used for the maintenance of utility easements benefiting more than one (1) Lot and not accepted by utility companies for maintenance.

Section 4.4. Common Property Assessments. Common Property Assessments shall be shared equally among all Members on a per Lot basis. Common Property Assessments shall be for the purpose of the establishment, improvement and maintenance of the Common Property, which shall include all landscaping and lawn service and snow removal on common area sidewalks and common area driveways on all Lots and all costs and expenses related thereto. Lawnservice shall consist of fertilizing of the lawn four (4) times each year and regular cutting. Landscaping on each Lot shall consist of yearly mulching of landscaping beds and replacement of shrubs and trees originally planted by the Declarant.

All such maintenance and improvements shall be performed exclusively by the Association or its Designated Representative. The Association and its Designated Representatives shall have a right of access to the Lots to perform all landscaping and lawn service on each Lot.

Section 4.5. Payment of Assessments. Common Property Assessments shall commence on the first day of the month following the termination of Declarant's control of the Association in accordance with Section 2.3 hereof. Assessments shall be collected and paid monthly or as may be determined by the Association. The Association may, after consideration of current maintenance costs and future needs of the Association, reduce or increase the amount of the assessments. Any amount accumulated in excess of the amounts required for actual expenses and reserves shall be credited to each Owner according to the number of months each Owner was assessed and paid in that year and shall be applied to each Owner's next installments until exhausted.

Section 4.6. Budget. At least thirty (30) days before its annual meeting, the Association shall prepare a budget covering the estimated costs of the Association during the coming year. The Association shall, in addition, fix the date of commencement and the amount of the assessment attributable to each Owner. The Association shall cause a copy of the budget and assessment to be delivered to each Owner at least thirty (30) days before the annual meeting. Except during the period of Declarant Control, the budget and the assessment shall become effective unless disapproved, at the annual meeting, by vote of at least sixty-six and two-thirds percent (66 - ⅔%) of the Members of the Association. During the period of Declarant Control, Declarant, on behalf of the Association shall adopt a budget. Declarant shall obtain qualified bids for services to be supplied to the Association and shall accept such bids as Declarant in its sole discretion considers appropriate. Following termination of Declarant Control, in the event the Association is delayed in preparing the annual estimates, the Owners shall continue to pay the monthly charges at the then-existing monthly rate established for the previous period until the same shall be determined.

Section 4.7. Effect of Non-Payment of Any Charges and Assessments – Remedies of the Association. The Association shall have a lien for unpaid assessments from the time the assessment becomes due. All assessments shall be paid within thirty (30) days after mailing of notice of assessment. Any assessment not paid within ten (10) days after the

due date shall include a late charge of Ten Dollars ($10.00) per month and any assessment not paid within sixty (60) days after the due date shall thereafter bear interest at the highest rate provided by the Act until paid. The Treasurer of the Association shall maintain records of assessments and such records shall be binding upon all parties. In addition, Association may bring an action at law against an Owner obligated to pay the same or foreclose the lien against the Lot or Unit and there shall be added to the amount of such Assessment the costs and legal fees of preparing and filing the Complaint in such action. If a judgment is obtained, such judgment shall include interest on the assessment as provided and reasonable attorney's fees, together with the costs of the action. No Owner may waive or otherwise except liability for the assessments provided for herein by non-use of the Common Property or abandonment of the Unit.

Section 4.8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon a Lot or Unit subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of the Lot or Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the Owner of such Lot or Unit from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 4.9. Reserve for Replacements. The Association shall establish and maintain a reserve fund for replacement of any part of the Common Property and facilities thereon as the Association deems appropriate. The amount shall be collected by assessment of the Owners and shall be deemed a Common Property expense. The reserve shall be kept in an interest bearing account and shall only be expended for the purpose of effecting the replacement of Common Property or community facilities and for operating contingencies of a non-recurring nature. The proportionate interest of each Owner shall be considered appurtenant to such Owner's Lot or Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot or Unit and shall be deemed to be transferred with such Lot or Unit.

ARTICLE V
ARCHITECTURAL CONTROL

Section 5.1. Additions and/or Modifications to Property or Units. No fence, wall or deck or similar structure shall be commenced, erected or maintained upon the Property or Lot nor shall any change or alteration therein be made until the Plans and Specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after said Plans and Specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Nothing in this paragraph shall be construed to permit any review of architectural and building decisions made by the

Declarant, subject to this Section 5.1.

Section 5.2. New Construction. The Declarant shall have complete authority and discretion to control all new construction on the Property until such time as Units have been constructed on all Lots. The Declarant shall not be subject to any review or control by the Association with respect to new construction or modifications by the Declarant to completed but unsold Units. The provisions of Section 5.2 of this Article shall not apply to Units or other structures constructed by the Declarant, or to any successor in interest to the Declarant who is engaged in new construction upon the Property, or Heartland Homes, Inc. who is constructing the initial Unit on a Lot.

Section 5.3. Architectural Review Committee. After completion of any new construction by the Declarant and/or any builder who is constructing the initial Unit on a Lot, no alteration of any nature shall be commenced, erected or maintained upon the Property or Units, other than the installation of antennas and satellite dishes as set forth in Section 9.1D nor shall any exterior change or alteration therein, including but not limited to the style, color and dimensions of siding, garage doors, front doors, shingles, shutters, if any, gutters and downspouts, windows, roofing and trim color, be made until the written Plans and Specifications showing the nature, kind, shape, color, size, materials and location of the same shall have been submitted and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography by the Board of Directors of the Association. The Board may appoint an Architectural Review Committee to make recommendations to the Board. In the event the Board fails to approve or disapprove such design and location within sixty (60) days after said Plans and Specifications have been submitted to it, approval shall not be required and this Article will be deemed to have been fully complied with. This Article shall not apply to new dwelling Units, or unsold Units still owned by the Declarant and/or any builder who is constructing the initial Unit on a Lot.

ARTICLE VI
INSURANCE

Section 6.1. Association Coverage. The Association shall obtain and maintain to the extent obtainable, the following insurance policies:

A. Insurance on the Common Property in an amount equal to the full replacement value and with a replacement cost endorsement which provides for the payment of all losses without deduction or allowance for depreciation. Such coverage shall afford protection against, at least, the following:

(i) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement and additional extended coverage endorsement;

(ii) Such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, and such other insurance as the Association may from

time to time determine;

(iii) Public liability insurance in such amounts as the Association may from time to time determine is necessary. Said insurance shall cover each Member of the Association, its officers and the managing agent or manager, as well as each Owner from liability in connection with the Common Property or any decision or work performed in connection therewith;

(iv) Workers' Compensation insurance to the extent necessary to comply with any applicable law;

(v) Such other policies of insurance, including insurance for other risks of a similar nature, as are or shall hereafter be considered appropriate by the Association.

B. The premiums for the insurance coverage shall be a Common Property expense.

C. The Association, or its designee, shall have the exclusive authority to adjust losses under the said insurance policies.

D. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by Owners or their mortgagees.

E. To the extent available, the insurers shall waive their rights to subrogation under the policies against any Owner or member of the Owner's household.

F. No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policies or be a condition to recovery under the policies.

ARTICLE VII
SEPARATE MORTGAGES, TAXES, UTILITY CHARGES

Section 7.1. Mortgages. Each Owner shall have the right to mortgage or encumber such Owner's respective Lot or Unit. No Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever Common Property except Declarant as provided herein.

Section 7.2. Taxes. Taxes on a Lot or Unit shall be the responsibility of the Lot or Unit and its Owner.

Section 7.3. Utilities. Each Owner shall pay for such Owner's telephone, electricity, water, sewer, and/or other utilities which are separately metered or billed to each user by the appropriate utility company. Utilities not separately metered or billed shall be treated as part of the Common Property expenses.

ARTICLE VIII
CONSTRUCTION COVENANTS

Section 8.1. Storm Water. Storm water run off must be handled in accordance with the applicable standards of Marshall Township, the Department of Environmental Protection and the Plan.

Section 8.2. Erosion & Sedimentation Control. During construction of each Unit in the Plan there must be placed individual on-Lot sediment controls (for example, silt fences or seeding) to prevent mud and other sediment from leaving the Lot or entering a stream in accordance with Marshall Township and the Department of Environmental Protection.

Section 8.3. Streets and Curbs. Owners and builders must take reasonable precautions to protect the streets and curbs from damage by construction vehicles, construction equipment, moving trucks, etc. If there is damage to the street or curb which requires repair or replacement by the Declarant, the cost will be assessed against the Owner whose Lot or Unit abuts the damaged areas, which charge may be enforced by an action at law by Declarant. In the event of a dispute over which Owner is responsible, Declarant shall have the option of filing an action in a court having jurisdiction or submitting the dispute to the American Arbitration Association. The Declarant shall have the right at the time of, or after, grading any street, or any part thereof, to enter upon any abutting Lot and grade the portion of such Lot adjacent to such street but there shall be no obligation on the Declarant to do such grading (unless required by a governmental authority). Builders must clean streets regularly, at builders' cost and expense, to remove any mud or debris caused by the builders.

Section 8.4. Drainage Easements. No structure, planting or other material shall be placed or permitted to remain in any easement, swale or storm water channel which may change the direction of flow of the water, or which may obstruct or retard the flow nor shall any such channels or easements be regraded. The Declarant shall have the right to enter the easement area of such Lot to correct any problems, in which event the cost will be assessed against the Owner.

Section 8.5. Refuse. Builders shall use their best efforts to prevent lumber, materials, bulk materials, refuse or trash from being kept, stored, or allowed to accumulate on any Lot except building materials during the course of construction of a Unit. Trash, garbage or other waste shall be kept in containers or enclosures and the job site cleaned up daily. All equipment for the storage or disposal of such material must be kept in a clean and sanitary condition. All construction debris must be removed by the builder prior to occupancy of the Unit. Weeds shall not be permitted to grow above two (2) feet in height on any vacant Lot or construction site.

Section 8.6. Inspection During Construction. If the Unit is to be available for interior inspection by potential home buyers, the builder shall use its best efforts to provide reasonable and safe access to the Unit during normal working hours, and reasonable

housekeeping throughout the Unit. The builder shall not be under any duty and/or obligation to provide keys to any Unit to Declarant, buyers or potential home buyers. Declarant shall have the right to inspect all Units during construction to insure compliance with these covenants. Declarant and/or the builder are not responsible for anyone entering into the Unit or on the Lot during construction.

Section 8.7. Soil Relocation. No soil may be removed from the Plan without the prior written consent of the Declarant. Declarant shall direct builders to transfer the soil to areas of the Plan where fill is needed. Declarant shall have the right to maintain a top-soil stock pile and an equipment area, either or both of which may be relocated from time to time, until completion of sales of all Lots in the Plan. Builders and/or Declarant shall have the right of access and egress to enter onto the Lot before, during or after closing to remove soil or topsoil from the individual Lot.

Section 8.8. Garages. All garages must be integral or attached to the Unit.

Section 8.9. Uncompleted Homes. No occupancy of an uncompleted Unit or any part thereof, including any basement or foundation, shall be permitted, and no basement, garage, or structure other than the Unit shall be used as a residence for residential purposes.

Section 8.10. Hedges, Shrubs, Trees, Flowers. As long as Declarant owns any Lot in the Plan, no hedges, shrubs, trees and/or flowers shall be planted without written approval. After all Lots have been sold, the planting of all hedges, shrubs, trees and/or flowers must be approved in accordance with the provisions contained in Section V herein.

Section 8.11. Insurance. Builders shall provide to the Declarant prior to starting any work on a Lot evidence of the following insurance:

A. Workers' compensation coverage in statutory limits;

B. Liability coverage, naming Declarant as an additional insured, in the minimum amount of $1,000,000.00.

Section 8.12. Utility Lines. No structure may be constructed within the right of way of any underground utility line.

ARTICLE IX
USE RESTRICTIONS

Section 9.1. General Use Restrictions. The property is intended to be used for the following purposes, and its use is hereby restricted as follows:

A. Subdivision. No Lot may be further subdivided.

B. Antennas and Satellite Dishes. Exterior antennas and satellite dishes

not greater than eighteen inches (18") in diameter are permitted. However, such antennas and/or satellite dishes shall not be installed on Common Property or in such a location on a Lot so as to deleteriously effect the aesthetics of the Plan or interfere with any adjoining Lot Owner's right to an unobstructed or nonintrusive possession. To the extent that it will not interfere with the reception or impose unreasonable costs, all antennas and/or satellite dishes shall be screened, shall not be visible from the street and shall be the same color as its background material.

C. Nuisances. No noxious or offensive activity shall be carried on upon any Lot or Unit nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

D. Signs.

(i) The Declarant shall have the right to erect signs to advertise the Property, the sale of Lots or Units, and any other signs which the Declarant deems necessary for construction and sales of Lots or Units on any part of the Property owned by Declarant. Declarant shall have the right to erect entrance monuments identifying the plan as Marshall Heights.

(ii) During the period of construction and sales, any builder or lender approved by the Declarant may maintain a sign on any Lot upon which that builder is constructing a Unit, which sign however, may not be more than one hundred twenty (128) square feet in size. A builder may maintain a sign on all other developed Lots, which may not be more than ten (10) square feet in size.

(iii) Until all Units in the Plan have been constructed and sold by Declarant and/or any builder who is constructing the initial Unit on a Lot, no For Sale or For Rent signs may be installed on the Lots. A sign of no more than two (2) square feet may be placed in windows. After the sale of all of the Units by any builder who is constructing the initial Unit on a Lot, a sign containing no more than ten (10) square feet advertising the house for sale or rent may be used.

(iv) Subject to the restrictions contained in Section F(iii) herein, no sign of any kind shall be displayed to the public view on any Lot for a period of ninety (90) days or more without the prior written consent of Declarant.

(v) An easement for ingress, egress and regress is hereby granted to Declarant for the purpose of maintaining and replacing any signs, walls, or fences which the Declarant has constructed on individual Lots which are part of the community signs program (i.e., directional signs, entry signs, etc.) This right shall include the right to plant trees and shrubs and otherwise landscaping the area.

E. Garbage and Refuse Disposal. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time by Marshall Township. Garbage containers must be kept out

of public view except on collection days.

F. Refuse. No lumber, materials, bulk materials, refuse or trash or debris shall be kept, stored, or allowed to accumulate on any Lot except building materials during the course of construction, including, but not limited to food and beverage containers. All construction sites shall be cleaned regularly.

G. Laws. All laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed on the property by the residents.

H. Laundry Lines. Laundry poles and lines are prohibited.

I. Temporary Structures. No dog house, fenced dog run, animal pen, shelter, shed, shack, garage, barn or other outbuilding shall be used or constructed on a Lot.

J. Pets. No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept on any Lot or in any Unit, except that dogs, cats or other household pets may be kept in houses, subject to the applicable laws and ordinances.

K. Balconies, Decks and Porches. No rugs, clothes, sheets, blankets, laundry of any kind, or other article shall be hung from the balconies, decks and/or porches. Balconies, decks and/or porches and/or patios shall be kept free and clear of rubbish, debris and other unsightly materials.

L. Residential Use. Lots and Units, except those used by Declarant for models or offices, may be used for residential purposes permitted by Marshall Township zoning ordinance governing single family residential use. Notwithstanding the foregoing, Declarant has the right to use Lots or Units which it owns for models, sales or administrative offices.

M. Common Area Driveways Easements.

(i) Lots 111, 112, 113, 114, 115, 116, 117, 118, 119, 120 and 121 shall be, and are hereby made, subject to a Common Area Driveway Easement in favor of Declarant, the Members of the Association and all appropriate utility and service companies and governmental agencies. The location of said Common Area Driveway easements shall be determined by the Declarant.

(ii) The Common Area Driveway easement areas of Lots 111, 112, 113, 114, 115, 116, 117, 118, 119, 120 and 121 and all improvements in said areas shall be maintained continuously by the Homeowners Association, including all streetlights, landscaping, common maintenance, common repairs and snow removal activities related to the Common Area Driveways.

(iii) The Homeowners Association shall impose those use restrictions required for the efficient and safe use of the Common Driveway Areas as are required from time to time in accordance with those rules governing the

Members of the Association.

N. Utility Easements.

(i) Each Lot shall be, and is hereby made, subject to **utility** easements in favor of the Declarant, the Members of the Association, appropriate utility and services companies and governmental agencies or authorities for the installation and service of storm water drainage systems, sanitary sewer systems and other utility services, including but not limited to pipes, lines, manholes and other equipment, as may be necessary to service any Lot. The location of said **utility** easements shall be determined by the Declarant.

(ii) No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground; however, conductor lines on the high side can extend to the curb. **Utility** easements have been reserved for sewers, drainage and utility installations and maintenance for such purposes and uses as are shown on the Plan, and Declarant reserves the right to establish and may dedicate **utility** easements and rights of way in, on, over, under, through and around any portions of any Lots for utilities; provided the same do not unreasonably interfere with the use of the Lots as residences. Within these **utility** easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the **utility** easements, or which may obstruct or retard the flow of water through drainage channels in the **utility** easements.

(iii) The **utility** easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. The Declarant, its agents, successors, and assign, shall have the right to enter upon all parts of the **utility** easement area of each Lot for any of the purposes for which said **utility** easements and rights-of-way are reserved.

(iv) The Declarant shall also have the right at the time of, or after, grading any street, or any part thereof, to enter upon any abutting Lot and grade the portion of such Lot adjacent to such street, but there shall be no obligation on the Declarant to do such grading, unless otherwise properly required to do so by an appropriate governmental authority.

O. Storage and Parking of Vehicles. Except as provided herein, there shall be no outside storage upon any Lot (i.e., driveways or yards) of any semi-truck, tractor, tractor-trailer, trailer, motorcycle, all-terrain vehicle (ATV), mobile home, boat or similar transportation device. No Owner shall repair or restore any vehicle of any kind on any part of any Lot visible from the street except for normal maintenance or emergency repairs. Vehicles may not be parked overnight on the streets.

P. Garages. Garages may not be converted to living space and may only be used for storage of vehicles or personal property. Garage doors shall be kept closed except when automobiles are being moved or the garage is being used.

Q. Fences. So long as Declarant is the owner of any Lot in the Plan, all fences and/or decks must be approved by Declarant. After all Lots have been sold, all fences and decks must be approved in accordance with the provisions contained in Section V herein.

R. Wells. No oil or gas well shall be drilled on any Lot.

S. Outdoor Play Equipment. No Outdoor Play Equipment, including but not limited to trampolines, swing sets, jungle gyms, sand boxes, slides and swimming pools, shall be permitted to be on any of the Lots.

ARTICLE X
GENERAL PROVISIONS

Section 10.1. Additional Rules and Regulations. The Association may adopt such reasonable rules and regulations, not inconsistent herewith, as it may deem advisable for the maintenance, administration, management, operation, use, conservation and beautification of the Common Property, the facilities thereon, and the exterior maintenance of Lots, Units and buildings. Written notice of such rules and regulations shall be given to all Owners and the entire Property shall at all times be maintained subject to such rules and regulations. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees and agents and the Association shall have the authority to impose reasonable monetary fines and other sanctions, which fines may be collected by lien as provided in Article IV.

Section 10.2. Enforcement. Enforcement of these covenants and restrictions, and rules and regulations adopted pursuant hereto, shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants, and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association may also impose fines or other sanctions, collection of which shall be as provided herein. The expense of enforcement by the Association (including reasonable attorney's fees) shall be chargeable to any Owner violating these covenants and restrictions, and shall constitute a lien on such Owner's Lot or Unit, collectable in the same manner as assessments hereunder.

Section 10.3. Interpretation. If any inconsistency between this Declaration, the Bylaws of the Association, or any declarations recorded in connection with the development of Marshall Heights shall arise, the provisions of this Declaration shall control.

Section 10.4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 10.5. Amendment. **Except as otherwise permitted by Section 5219(a)(3) of the Act**, this Declaration may be amended by an instrument signed by the Owners representing not less than sixty-seven (67%) percent of the votes eligible to be cast by the Members of the Association. Any such amendment shall be effective upon recordation in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania. The recital in any such amendment that it has been executed and acknowledged by the specified percentage of Owners shall be conclusive and binding on all persons; provided, however, that no action may be taken which would affect, impair, modify, alter or amend Declarant's rights hereunder. Any amendments required by state law shall be deemed permissible under all circumstances.

Section 10.6. Services. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof and any other personnel as the Association's Board of Directors shall determine to be necessary or desirable. Such personnel may be furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. If the Association enters into a management agreement, it shall be terminable by Association upon no more than one hundred twenty (120) days written notice. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with its operations or the enforcement of this Declaration. The Association may, but shall not be required, to arrange as an Association expense with others to furnish water, trash collection, sewer service and other common services to each Unit.

Section 10.7. Implied Rights. The Association may exercise any other rights or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 10.8. Notice of Sale, Lease or Mortgage. Upon sale by an Owner, such Owner will notify the Association of the name and address of the purchaser of such Owner's property.

Section 10.9. Matters of Dispute. Matters of dispute or disagreement between the Association Members or with respect to interpretation or application of the provisions of this Declaration or the Bylaws shall be determined by the Association, which determination shall be binding on all Association Members.

Section 10.10. Liability. Neither Members of the Association nor its officers nor Declarant during the period of Declarant's Control shall be liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith. The Association shall indemnify and hold harmless each of the Members of the Association and each of the officers against all expenses or liability to others arising out of their position as an officer or Member of the Association or arising out of contracts made by them or any of them on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. Officers of the Association shall not be liable for any mistake of judgment or negligence except for their own willful malfeasance, misfeasance, misconduct or bad faith. The Association shall obtain, as a common expense, insurance commonly known as Directors and Officers liability coverage in order to encourage service on the Association and to fund this obligation.

Section 10.11. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 10.12. Term. This Declaration and the covenants and restrictions herein set forth shall run as covenants upon the Lots and Units and shall be binding upon the undersigned and all persons claiming under the undersigned, its successors and assigns for a term of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years, unless revoked, revised or amended by a majority vote of the Owners of a majority of the Lots or Units.

Section 10.13. Amendment Resulting From Requirement of Government Agencies. if Declarant is required to amend any terms of this Declaration, in order to obtain the approval of the Federal Housing Administration and/or the Department of Housing and Urban Development and/or the Veterans Administration and/or the Federal National Mortgage Administration to the terms and conditions of this Declaration, Declarant may do so without any further consent or approval of any Owners. Written notice shall be given to all owners of any such proposed changes and the reason for such change.

Section 10.14. Effective Date. Amendments shall be effective upon recording in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania.

Section 10.15. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots, due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner or the Association.

Section 10.16. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Lot or Unit for emergency, security, and safety, which right may be exercised by the Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Lot or Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 10.17. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until the last date which would render such provision enforceable.

Section 10.18. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of two-thirds (2/3) of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 10.19. Captions. Captions are for convenience and reference only and are in no way to be construed as defining, limiting or modifying the scope or intent of the various provisions of this Declaration.

Section 10.20. Gender. As used in this Declaration, the word person shall mean and include where appropriate, an individual, corporation, partnership or other entity; the plural shall be substituted for singular and the singular for the plural where appropriate and words of any gender shall mean to include any other gender.

[SIGNATURE PAGE TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MARSHALL HEIGHTS, A PLANNED COMMUNITY)

WITNESS the execution hereof the 15th day of April, 2008.

WITNESS/ATTEST:

SGS ASSOCIATES, LLC, a Pennsylvania limited liability company

By: _____
~~President~~ MANAGING PARTNER

[SIGNATURE PAGE TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MARSHALL HEIGHTS, A PLANNED COMMUNITY)

WITNESS the execution hereof the 16th day of April, 2008.

WITNESS/ATTEST:

SGS ASSOCIATES, LLC, a Pennsylvania limited liability company

BY: Gigliotti Holdings, LP
Sole Member

BY: Gigliotti Holdings, LLC
General Partner

By: _____
Dominic Gigliotti, member

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

On this 16th day of April, A.D. 2008, before me, a Notary Public the undersigned officer, personally appeared DOMINIC GIGLIOTTI, who acknowledged himself to be the sole member of Gigliotti Holdings, LLC, a Pennsylvania limited liability company, which is the general partner of Gigliotti Holdings, LP, a Pennsylvania limited partnership, which is the sole member of SGS Associates, LLC, a Pennsylvania limited liability company, and that he as such sole member of Gigliotti Holdings, LLC, general partner of Gigliotti Holdings, LP, sole member of SGS Associates, LLC, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Gigliotti Holdings LLC as general partner of Gigliotti Holdings LP, sole member of SGS Associates, LLC, by himself as sole member of the limited liability company.

In Witness Whereof, I hereunto set my hand and official seal.

_____
(Title of Officer)

DIANA B. STEELE
COMMONWEALTH OF PENNSYLVANIA
NOTARY PUBLIC

My commission expires: 10/12/2008

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Diana B. Steele, Notary Public
Pine Twp., Allegheny County
My Commission Expires Oct. 12, 2008
Member, Pennsylvania Association of Notaries

EXHIBIT A

PROPERTY DESCRIPTION

ALL that certain parcel of ground, excepting Lots 101 and 102, situate in the Township of Marshall, County of Allegheny and Commonwealth of Pennsylvania, known as the Marshall Heights Subdivision Plan as recorded in the Recorder of Deeds Office of Allegheny County, Pennsylvania in Plan Book Volume 255, page 146.