

BY-LAWS

OF

**SADDLEWOOD HOMEOWNERS ASSOCIATION,
INC.**

of 12/15/96

DB09863PG601

BY-LAWS
OF
SADDLEWOOD HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1. The name of the association is the **SADDLEWOOD HOMEOWNERS ASSOCIATION, INC.**, hereinafter referred to as the "**ASSOCIATION**". The principal office of the association shall be located at 262 Portman Lane, Bridgeville, PA 15317, Allegheny County, Pennsylvania, but meetings of the members and directors may be held at such places within the Commonwealth of Pennsylvania, County of Allegheny, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Saddlewood Homeowners Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, in accordance with the provisions of said Declaration.

Section 3. "Common Areas" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association. The Common Area to be owned by the Association following the recording of the Declaration shall be bounded and described as set forth in each phase and represented on the recorded plans for each phase. Other real property may be hereinafter conveyed, from time to time, to the Association as Common Area as necessary.

Section 4. "Lot" shall mean and refer to any plot of land and any designation of Living Units shown upon the recorded subdivision plan in Plan book Volume 197, pages 139-144, or any Exhibit attached to the Declaration or to any Amendment of Supplement thereto, with the exception of the Common Area.

Section 5. "Living Unit" shall mean and refer to any structure or to any portion of a structure situated upon the Properties which is designed and intended for use and occupancy as a residence by a single family.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot and/or Living Unit which is a part of the Properties, including contract sellers,, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant shall mean and refer to Joseph N. DeNardo and Shari A. DeNardo d/b/a **J.N.D. Properties** his respective successors and assigns, if such successors or assigns should acquire one or more lot(s) which is part of the properties from a 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 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania.

Section 9. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 10. "Recorded" shall mean duly recorded in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania, unless otherwise clearly indicated.

Section 11. "Plan" shall mean the Saddlewood Plan of Lots and all phases thereof;

Section 12. "Single Family Lot" shall mean ad refer to any single family home site situated in the single family home section of the Saddlewood master plan.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of the first lot sale. and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the membership votes.

Section 3. Notice of Meetings. Except as otherwise provided in the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of , the Secretary or persons authorized to call the meeting, by mailing or delivering a copy of such notice to each Member at

least fifteen (15) days in advance of such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of special meeting, the purpose of the meeting.

Section 4. Voting. Except as otherwise provided in the Declaration or by-law's, all motions, resolutions, etc., of the Association shall be passed by a majority of the votes cast in person or by proxy, without regard to classes of membership.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of all votes, regardless of class of membership, shall constitute a quorum for any action, the Declaration, or these by-law's. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote there at shall have to power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The Members at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of the holders of enough shares to leave less than a quorum.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot or Living Unit.

ARTICLE IV

BOARD OF DIRECTORS - SELECTION - TERMS OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. Beginning with the first annual meeting to be held after 100 Lots have been sold and conveyed by Declarant, the Board shall be composed of seven (7) members, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect five (5) Directors for a term of one (1) year.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority, of the membership vote of the Association. In the event of death, resignation or removal of a Director, or the vacancy of an officer of a member of the Board his successors shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nomination Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association or the Board of Directors. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make any such nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made in manner consistent with Article IV hereof. Such nominations may be made from among members or non-members.

Section 2. Election. Election of the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many vote as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held bi-monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF BOARD OR DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights, the right to use said areas and any or all of the rights and privileges of membership in the Association of a member for any period during which any assessment against his Lot or Living Unit remains unpaid. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; assessments shall continue during suspension;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these by-law's, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at this annual meeting of the Members, or at any special meeting when such statement is requested in writing by one fourth (1/4) of the Members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the Association , and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot of Living Unit at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property of which assessments are not paid within thirty (3) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) Issue, or cause an appropriate officer to issue, upon demand by any member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the Common Area, including, but not limited to, any private road, the entry area and sign, parks, walking trails, parking areas, access easements, as provided or recorded plans any planting areas within the common areas of the plan or the right-of-way area granted, or to be granted, to be maintained. As well as perform other duties imposed by the Declaration, the Articles and these by-law's.

(h) Carry out the duties of the association with respect to maintenance as more fully provided in the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office without or without cause, by majority vote of the members of the board, with or without a meeting. Any

officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments including checks and promissory notes on behalf of the association.

Vice President

(b) The Vice-President shall act in the place instead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meeting and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

ARTICLE IX

COMMITTEES

Section 1. The Board of Directors of the Association shall appoint an Environmental Protection Board (EPB) as provided in the Declaration, and a Nominating Committee as provided in these by-law's. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the articles of Incorporation and the by-law's of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

INDEMNIFICATION

Section 1. Right to Indemnification. Except as prohibited by law, every director and officer of the Association shall be entitled as a right to be indemnified by the Association against expenses and any liability paid or incurred by such person in the defense of an actual or threatened claim, action, suit or proceeding, civil, criminal, administrative, investigative or other, whether brought by or in the right of the Association or otherwise, in which he or she may involved in any manner, as a party, witness or otherwise, or is threatened to be made so involved, by reason of such person being or having been a director or officer of the Association or by reason of the fact that such person is or was serving at the request of the Association as a director, officer, employee, fiduciary or other representative of another corporation, partnership, joint venture, trust employee benefit plan or other entity (such claim action, suit or proceeding hereafter being referred to as "Action"). Persons who are not directors or officers of the Association may be similarly indemnified in respect of service to the Association or to another such entity at the request of the Association to the extent the Board of Directors at any time designates any of such persons as entitled to the benefits of the Section. As used in the Article XI, "indemnitee" shall include each director and officer of the Association and each other person designated by the Board of Directors as entitled to the benefits of the Article XI, "expenses" shall include fees and expenses of counsel selected by an indemnitee and "liability" shall include amount of judgments, excise taxes, fines, penalties, and amount paid in settlement.

Section 2. Right to Advancement of Expenses. Every indemnitee shall be entitled as of right to have his or her expenses in defending any Action paid in advance by the Association prior to final disposition of such Action, provided that the Association receives a written undertaking by or on behalf of the indemnitee to repay the amount advance if it should ultimately be determined that the indemnitee is not entitled to be indemnified for such expenses.

Section 3. Right of Indemnitee to Initiate Action. If a written claim under Section 1 or Section 2 of this Article is not paid in full by the Association within thirty days after such claim has been received by the Association, the indemnitee may at any time thereafter initiate an Indemnitee Action to recover the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the expense of prosecuting such Indemnitee Action. The only defense to an Indemnitee Action to recover a claim for indemnification under Section 1 shall be that the indemnitee's conduct was such that under Pennsylvania law the Association is

prohibited from indemnifying the indemnitee for the amount claimed, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its board of directors, independent legal counsel and its members) to have made a determination prior to the commencement of such Indemnitee Action that indemnification of the indemnitee is proper in the circumstances, nor an actual determination by the Association (including its board of directors, independent legal counsel or its members) that the indemnitee's conduct was such that indemnification is prohibited by Pennsylvania Law, shall be a defense to such Indemnitee Action or create a presumption that the indemnitee's conduct was such that indemnification is prohibited by Pennsylvania's law. The only defense to an Indemnitee Action to recover a claim for advancement of expenses under Section 2 shall be the indemnitee's failure to provide the undertaking required by Section 2.

Section 4. Insurance and Funding. The Association may purchase and maintain insurance to protect itself and any person eligible to be indemnified hereunder against any liability or Action, whether or not Association would have the power to indemnify such person against such liability or expense by law or under the provisions of the Article XI.

Section 5. Non-Exclusivity; Nature and Extent of Rights. The rights to indemnification and advancement of expenses provided for in this Article XI shall (i) not be deemed exclusive of any other rights, whether now existing or hereafter created, to which any indemnitee may be entitled under any agreement or by-law, charter provision, vote of members or directors or otherwise, (ii) be deemed to create contractual rights in favor of each indemnitee who serves the Association at any time while this Article XI is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of the Section), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he or she was entitled or was designated as entitled to indemnification under this Article XI and shall inure to the benefit of the heirs and legal representatives of each indemnitee. Any amendment or repeal of the Article XI or adoption of any by-laws or provision of the Article of Incorporation of the Association which limits in any way the right to indemnification or the right to advancement of expenses provided for in this Article XI shall operate prospectively only and shall not affect any action taken, or failure to act, by an indemnitee prior to the adoption of such amendment, repeal, by-laws or other provision.

Section 6. Partial Indemnity. If an indemnitee is entitled under any provision of the Article XI to indemnification by the Association for some or a portion of the expenses or a liability paid or incurred by the indemnitee in the preparation, investigation, defense, appeal or settlement or any Action or Indemnitee Action but not, however, for the total amount thereof, the Association shall indemnify the indemnitee for the portion of such expenses or liability to which the indemnitee is entitled.

ARTICLE XII

ASSESSMENTS

Section 1. As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area of abandonment of his Lot or Living Unit.

ARTICLE XIII

AMENDMENTS

Section 1. Vote. These by-law's may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy or by the Declarant at anytime as deemed necessary.

Section 2. Conflict of Interest. In the case of any conflict between the Articles of Incorporation and these by-law's, the Articles shall control; and in the case of any conflict between the Declaration and these by-law's, the Declaration shall control. In the event these is a need for any clarification or any article contain herein, the Declarant shall provide the final interpretation.

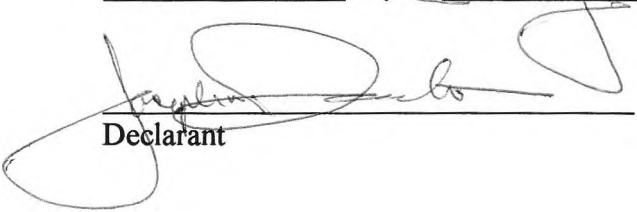
ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, I Being all of the Directors of Saddlewood Homeowners Association, Inc., have hereunto my hand this

10th day of January, 1997


Declarant

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF Allegheny)

On this 10th day of January, 1997, before me a Notary Public, the undersigned, personally appeared Joseph N. DeNardo, who acknowledges himself to be the Owner of Saddlewood and that he as such owner, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Kimberly M. Keenan

NOTARY PUBLIC

Title Officer

My commission expires

Notarial Seal
Kimberly M. Keenan, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Nov. 2, 1998
Member, Pennsylvania Association of Notaries

DB09863Pg614

TOFTREES ESTATES PLAN OF LOTS

P.B.V. 165 PAGE 192

PARCEL A-1

EXHIBIT "A"



SCALE 1" = 50' DATE JANUARY 1984

JAN 10 97 004240

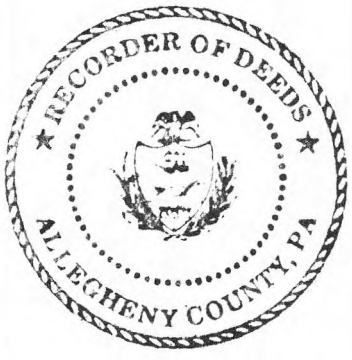
mail to:

From: Joseph D. DeLuca
262 Postmans Lane
Bridgeville, PA 15017

To: Sadelwood

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4350
#13-4119

I hereby CERTIFY that this document is recorded in a Deed Volume in the Recorder's Office of Allegheny County, Pennsylvania



Michael A. Della Vecchia
MICHAEL A. DELLA VECCHIA
RECORDER OF DEEDS

RECORDER OF DEEDS
ALLEGHENY COUNTY, PA
JAN 10 2 44 PM '97