

Tuscany Estates

A planned residential community in Township of Union
Washington County, Pennsylvania

Public Offering Statement

September 30, 2006
(Revised February 7, 2007)

Declarant:
Quaker Engineering Co.
PO Box 459
Bridgeville, PA 15017

Tuscany Estates

A planned residential community in Township of Union, Washington County, Pennsylvania

Public Offering Statement **September 30, 2006 (revised February 7, 2007)**

Name of Planned Community	Tuscany Estates
Location of Community	Township of Union, Washington County, PA
Declarant Name	Quaker Engineering Co.
Declarant Address	PO Box 459, Bridgeville, PA 15017

Pennsylvania law requires the Declarant or original seller of a planned community to disclose fully and accurately the characteristics of the community and the units therein offered for sale. This Public Offering Statement provides such disclosure in compliance with Section 5402 of the Pennsylvania Uniform Planned Community Act (The Act), 68 PA Cons. Stat §5101 et. seq.

IMPORTANT NOTICE TO PURCHASER

A. The Purchaser of a unit in a planned community is afforded, by law, a seven day period during which he/she may cancel an executed sales contract without penalty and obtain full refund of any funds deposited in connection with the contract. The seven day period begins on the date of delivery of the Public Offering Statement to the Purchaser, or on date of delivery of any recorded amendments to the Public Offering Statement which have material impact on the purchase. If Purchaser elects to cancel the contract, he/she must deliver written notice of cancellation to the Seller in person, by facsimile, or via certified mail.

B. If the Seller fails to provide a Public Offering Statement to the Purchaser under the terms stated in the Act, the Purchaser may recover from the Seller, in addition to any other relief, an amount equal to five percent (5%) of the purchase price of the Unit or two thousand dollars (\$2,000), whichever is the greater amount.

C. If a Purchaser receives the Public Offering Statement more than seven days before signing the sales agreement, this cancellation process is not applicable unless an amendment has been recorded to the Public Offering Statement that has a material and adverse effect on the rights of the Purchaser.

Introduction: Declarant presents this Public Offering Statement regarding development and ownership of certain Real Estate located in Union Township, Washington County, Pennsylvania. Declarant proposes, and has been approved, to develop and facilitate construction of 636 residential Units on this site, and reserves the right to revise the plan for the community. Each Unit in the Planned Community contains residential living space with accompanying improvements including utilities lines and storm water management facilities. The Committed Real Estate and built structures will constitute the Planned Residential community known as Tuscany Estates.

As required by law, this Public Offering Statement summarizes the significant features of the legal documents submitted to create and operate the Planned Community known as Tuscany Estates. **This is important information for prospective purchasers.** Exhibits attached to the Public Offering Statement include a copy of the recorded Declaration, the Bylaws of the Tuscany Estates Association, Inc., the Association's initial operating budget, and sample agreement of resale for a Unit in this community.

Other than what is provided herein, there are no contracts, leases, or other agreements of a material nature regarding this Planned Community that will or may be subject to cancellation by the Association under Section 5303 of the Pennsylvania Uniform Planned Community Act. Capitalized terms used in this Statement, which are not specifically defined here or in the Declaration, have the meaning given to such terms in the Act.

Planned Community Concept: The term "Planned Community" describes a specific form of real estate ownership. A Planned Community contains real estate where a covenant, easement, or agreement is imposed on the owner's interest to pay a pro rata amount toward the common cost for property taxes, insurance, maintenance, repair, improvement, management, administration, or regulation of any part of the real estate, in addition to the portion or interest owned by the individual.

Real Estate in a Planned Community includes two distinct types of property, "Units" and "Common Elements." Units are portions of the planned community set aside for individual (fee simple) ownership. At Tuscany Estates, Units are residences constructed on subdivided parcels of real estate, known as Developed Lots, which are purchased by individual owners. Units may be constructed as Free-standing or Common-wall residences. The Common Elements in the Planned Community include: 1) Common Facilities, including real estate, open spaces, buildings, facilities, and improvements benefiting all residents, which are maintained, improved, repaired, replaced, regulated, managed, insured, and controlled by an association of all Unit Owners; and 2) Controlled Facilities, which are real estate and buildings, facilities, and improvements benefiting more than one, but less than all, Units, and maintained, improved, repaired, replaced, regulated, and controlled by an association of all the Unit owners. Examples of Common Facilities include: streets, street lights, clubhouse, swimming pools, walking trails, parks, and designated open spaces. Examples of Controlled Facilities include party walls, facia, soffit, gutters, roofs, and sidewalks shared by more than one Unit.

All Unit Owners in a Planned Community are required to contribute, on a pro rata basis, toward the shared expenses of the Common Facilities, while expenses for Controlled Facilities are shared on a pro rata basis by only those Unit Owners who directly benefit from the Controlled Facilities.

Definitions: Definitions of the essential terms describing and governing a Planned Community, as defined under Pennsylvania law by the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. § 5101 et. seq. (the Act), are stated in the Declaration, and attached to this Public Offering Statement. All capitalized terms used herein and hereafter shall have the meanings ascribed to them in the Declaration or in the Act. Definitions used herein conform to the definitions in and requirements of the Act, and any item not specifically defined here shall have the meaning stated in the Act.

Description of Development: Tuscany Estates is a Planned Community comprising approximately 264 acres of real estate located on a site near Patterson Road in Union Township, Washington County. Declarant plans to develop the site in multiple phases, with Free-standing and Common-wall residential Units included in all phases.

Declarant is under no obligation to complete all proposed phases of the Planned Community, and development may stop at any time or stage of completion and the land may be sold or put to other use. Declarant has the right to withdraw some or all of the real estate not committed to the Planned Community at any time at its sole discretion during the period of Declarant control.

Size of Development: Declarant anticipates, and has been approved to develop and construct up to 636 residential Units in the Planned Community of Tuscany Estates. The Planned Community will not exceed the proposed 264 acre area unless Additional Real Estate is added pursuant to terms of the Act and this Declaration.

Construction Timetable: Phase 1 is projected to be complete by December 2006. Phases 2 and 3 began in 2006, and are expected to be complete in 2007. Additional phases are anticipated to commence and be completed over the next ten years, based on market conditions and sales. The Planned Community, as described in the Declaration, must be completed in twenty years as required by the Act. Because of the flexible nature of the community, anticipated dates for construction and completion of proposed phases are provided for disclosure purposes only, and should not be considered as firm dates.

Description of Units: As a general matter, Units in Tuscany Estates will be either a Free-standing, single-family residence on a subdivided Lot, or a Common-wall residence, which may be built in Clusters, on a subdivided parcel or Lot. The Common-wall units are identified by a variety of names, including townhouse, patio home, carriage home, and garden apartment.

Reserve Option for Investor Units: Declarant has no current plans to lease or market Units in Tuscany Estates to investors or leaseholders. However, nothing in the

Declaration or this Public Offering Statement shall be interpreted to prohibit the Declarant from exercising such option in response to changes in the marketplace.

Development of Common Elements: Declarant will complete development of Common Elements, including streets and utility lines, to provide service to all Units sold to Owners. Declarant will also develop some or all of the Common Facilities and Controlled Facilities described below.

Description of Common Elements: The Common Elements may include, but are not limited to, the following Common Facilities and Controlled Facilities, any of which may or may not be constructed at the sole discretion of the Declarant:

Common Facilities: Common Facilities are buildings, open spaces, and recreational sites set aside for the common enjoyment and use of Owners and Residents in the Planned Community. The following Common Facilities may or may not be constructed, at the sole discretion of the Declarant, at Tuscany Estates: storm water detention systems and ponds not dedicated to public use, open space areas, entrance signs, gates, pillars, clubhouse, swimming pools; parks, playgrounds, walking trails, sidewalks, and common parking areas. Locations where these Common Facilities may be constructed are shown in the recorded Plats and Plans as submitted and amended.

Controlled Facilities: means the real estate, buildings, and improvements within the Planned Community which are not Common Facilities and are designated for the benefit and use of some but not all Units. Controlled Facilities are maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association of Unit Owners, and may include, but are not limited to, the real estate comprising the Common-wall Units, including lawns, roofs, gutters, downspouts, soffit, fascia, siding, masonry, and may include private streets, parking areas, clubhouse, pools, parks, trails, playgrounds, and other amenities within the Planned Community. Some or all of these Controlled Facilities may or may not be developed at Tuscany Estates at the sole discretion of the Declarant.

Maintenance of Common Elements: All Unit Owners are jointly responsible for repair, maintenance, insurance, and replacement of the Common Facilities, and Common-wall Unit Owners are jointly responsible for repair, maintenance, insurance, and replacement of the Controlled Facilities from which they benefit, in addition to their responsibility for a pro rata share of the costs related to the Common Facilities.

Planned Community Documents: The official documents which create and provide for the operation and regulation of the Planned Community of Tuscany Estates are the Declaration, the Articles of Incorporation, and the Bylaws of the Tuscany Estates Association. The Declaration is the legal document which creates the Planned Community and sets forth the basic rights and responsibilities of the Declarant and the Unit Owners, as permitted by the Act. These documents are described in summary form herein, and complete documents are either provided as attachments to the Public Offering

Statement, or provisions are made for qualified purchasers to examine the complete documents.

Tuscany Estates Association: The Declaration provides for creation of the Tuscany Estates Association (the Association), as the governing body for the Planned Community, and assigns responsibility for the day-to-day business of the Association to the Board of Directors. Each Unit Owner is a member of the Association and is entitled to vote on all Association business.

Association Purpose The Association is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania to serve as the governance agent and oversight entity for the Planned Community, with delegated powers to maintain, administer, and enforce the covenants, conditions, and restrictions provided herein. The powers and responsibilities of the Association, as outlined here and presented in the Bylaws, are designed to ensure and enhance the well-being of residents and the continuity and security of the Planned Community. The Association has the power to assess and collect funds necessary to properly maintain and enhance the Common Elements to ensure that Tuscany Estates is a safe, attractive, and desirable place to live.

Association Authority: Among its designated powers, the Association has authority to adopt and promulgate reasonable rules and regulations as may be necessary to operate the Planned Community.

Budget: The Board of Directors proposes the annual budget which provides the basis for determining the annual Assessment(s) levied against Unit Owners for Common and Controlled Facility Expenses. The Members of the Association must approve the annual budget proposed by the Board, and the Board must provide an annual report to the Members on the financial status and operations of the Association.

Board of Directors: The Board shall consist of no fewer than three (3) members, during the period of Declarant control, and it may be expanded as the number of Members (Unit Owners) grows. Initially, the Declarant appoints all Board members and the Declarant's rights with respect to the Board are set forth in the Declaration and in the Act.

Control: The Declarant retains control of the Board and the Association in the early stages of development to ensure stability and proper administration of the Planned Community until there is sufficient number of Unit Owners to take on this responsibility. The Declarant has the right to remove or replace any of its appointees to the Board of Directors at any time at its sole discretion.

The Association Bylaws provide for increasing representation on the Board by Owners as Units are sold and residence increases. Declarant control over Board appointments ends when seventy-five percent of the Units approved for development in the Planned Community are transferred to Unit Owners in accordance with the Declaration. At that time, and going forward, all Board members will be elected by Unit Owners/Members as stated in the Association Bylaws.

Membership and Voting: All Unit Owners are Members of the Association entitled to vote and participate in Association activity. Until the period of Declarant control ends, the Association has two classes of Members, namely:

Class A Members are all Unit Owners except the Declarant. Class A Members are entitled to one vote for each Unit owned. Persons or entities holding title to Developed Lot(s) solely for the purpose of constructing dwelling(s) thereon which will be offered for sale, are not be considered Members of the Association and are not eligible to vote or required to pay Assessments.

Class B Members are only the Declarant and its successors, heirs, and assigns. Class B Members are entitled to three votes for each Unit permitted to be constructed under the Declaration, which has not been conveyed to an Owner. Subject to Article XIX of the Declaration, during the period of Declarant control, Class B Members retain control of the Association and appoint all Board Members.

Class B membership ceases and converts to Class A membership when earliest of the following trigger events occurs:

- A. When Declarant control is terminated in accordance with Article XIX of the Declaration; or,
- B. At any date or time prior to the above action, when the Declarant, in its sole discretion, relinquishes control as evidenced by a written instrument.

When the trigger event occurs, Class B memberships become Class A memberships, with all Members are entitled to one equal vote per Unit owned.

Officers: The Board elects a president, vice president, secretary and treasurer, to serve as officers of the Association. The terms of office and responsibilities of the officers are established in the Association Bylaws.

Meetings and Notices: The Association holds an annual meeting to conduct required business, including approval of the budget and elections, and special meetings as needed, which may be called by the Board or the Unit Owners pursuant to the Bylaws. The Board will meet at least quarterly and as often as needed. Unit Owners are entitled to notice of all Board and Association meetings and may attend these meetings at their discretion.

Amendments: Procedures to amend the Declaration and the Association Bylaws have been established. The covenants and restrictions established in the Declaration run with and bind the land for a term of twenty (20) years from the date that the Declaration is recorded. After that time, they automatically extend for successive and continued periods of ten (10) years. Declarant may amend the Declaration at any time at its sole discretion and without advice or consent of Unit Owners, as permitted in the Declaration and under the Act. Declarant has the right to add Additional or Convertible Real Estate, or to remove Withdrawable Real Estate from the Planned Community as stated in the

Declaration and in the Act. Unit Owners shall be given notice of amendments to the Declaration when they are recorded. Except for items left to the discretion of the Declarant, amendments to the Association Bylaws must be approved by a two-thirds majority vote of qualified Members of the Association.

Master Association: Declarant is not aware of any circumstance whereby the Association would become a Master Association or part of a Master Association. However, Declarant reserves the option, during the period of Declarant control, to propose that Tuscan Estates become part of a Master Association, at the Declarant's sole discretion if such action is deemed beneficial.

Association Expenses: The Bylaws establish the process for the Association Board to prepare an annual operating budget which itemizes the cost to operate, maintain, and repair the Common Elements of the Planned Community. The proposed budget must be approved by a majority of the Association Members at the start of each fiscal year. Unit Owners are responsible for a pro rata share of the annual budget and for funding common expenses of the Association.

Association Budget: All expenses, charges, and obligations to operate, maintain, repair, or replace the Common Elements of the Planned Community must be presented by the Board and approved by the Members of the Association. Copies of the proposed and approved annual budget will be provided to all Association members at the start of the fiscal year. The Association may establish separate budgets, and separate assessments, for Common Facility Expenses, Controlled Facility Expenses, and general management expenses, which are referred to jointly as Assessments.

Assessments: The Board will levy an annual Assessment on all Unit Owners for their pro rata share of the Common Facility Expenses, and a separate assessment on Common-wall Unit Owners for their pro rata share of the Controlled Facilities Expenses.

Purpose of Assessments: Assessments will be used to maintain, repair, and replace the Common Elements for Owners and residents of the Planned Community, to pay taxes and insurance premiums on the Common Elements, and to purchase equipment, supplies, contract services, and or salaried staff to manage the Association's duties and responsibilities.

Exemption from Assessments: Notwithstanding anything to the contrary herein or in the Act, the Declarant and Designated Builders holding title to Developed Lots for the purpose of constructing Units for sale to Owners shall be exempt from any and all Assessments at all times.

Liens and Personal Obligation: Each Unit Owner agrees, by accepting the title and deed for a Unit, to pay annual Assessments for Common Facilities Expenses and Controlled Facility Expenses, if relevant to such Unit Owner, and Special Assessments as may be established under provisions in the Declaration or the Bylaws. These Assessments are

charged against the Unit Owner and create a lien on the Unit, which become an obligation of the person(s) or entity owning the Unit at the time the Assessment is made.

Types of Assessments: Unit Owners are liable for some or all of the following Assessments. Certain Unit Owners may be subject to multiple assessments by virtue of the type and location of their Unit. For example, the owner of a Common-wall Unit may be subject to separate Assessments for the Common Facilities and the Controlled Facilities benefiting his/her Unit.

Annual Assessments. Assessments made against Unit Owners to meet the financial requirements of the Association's annual operating budget for the Common Elements, namely Common Facility Assessments and Controlled Facility Assessments, which shall be due on an annual basis and may be paid by in twelve (12) equal, monthly installments.

Special Assessments. Special Assessments for extraordinary and unbudgeted items may be made against Unit Owners as needed under the process established herein and in the Bylaws. Special assessments become effective on the date and for the period approved by the Board.

Additional Assessments. If the annual budget proves inadequate for any reason, including, but not limited to, non-payment of Assessments and payment of an expenditure not identified in the budget, the Board may, at any time, levy additional assessments against all Members to cover this gap.

Initial Assessments: Until such time as the Association assumes full responsibility for the Planned Community, Declarant will establish Initial Assessment rates for each type of Unit, based on the Initial Operating Budget and estimated Common Element Expenses. The initial Assessments, which may be amended and modified by the Board, are effective and due on the first day of the month after an Owner takes title to a Unit.

A. The initial Common Facility Assessment for all Units is twenty-five dollars (\$25) per month per Unit.

B. The initial Controlled Facility Assessment for the Common-wall Units is twenty-five dollars (\$25) per month per Unit, in addition to the \$25 initial Common Facility assessment, for a total of \$50 per month.

Assessment Formulas: Assessments for Common and Controlled Facility expenses shall be levied against Unit Owners on pro rata basis according to the following formulas:

Assessments for Common Facility Expenses are allocated equally among all Unit Owners. The Common Facility Assessment is determined by dividing the total estimated cost of common expenses, as projected in the Association's annual budget, by the number of Units.

Assessments for Controlled Facility Expenses are allocated only to Owners of Common-wall Units in a specific area or Cluster, and may be further allocated based on the type or size (square footage) of Unit, at the discretion of the Board. These Assessments are determined by dividing the estimated cost to maintain the Controlled Facilities benefiting designated Common-wall Unit Owners, as projected in the Association's annual budget, by the number of Units benefiting from these Controlled Facilities. Changes or revisions to the formula for allocation of Controlled Facility assessments may be adopted by the Board, pursuant to procedures established in the Bylaws.

Limitation on Expenditures: No item which requires expenditure of Association funds in excess of ten thousand dollars (\$10,000) for structural alteration, construction, capital addition, or improvements to the Common Facilities, other than maintenance, repair, and replacement of existing facilities, may be included in the annual budget without approval of two-thirds of the Association Members. This provision does not apply to Common Facility expense resulting from Convertible Real Estate being added to the Planned Community, as permitted by the Act and this Declaration.

Annual Financial Report: No less than thirty (30) days before the start of each fiscal year, the Association will provide Members with an accounting of the expenses incurred and paid for in the current year. This statement will show the total amount of assessments collected and due from Unit Owners, and the anticipated net surplus or deficit, and any reserves, for the current fiscal year.

Working Capital Fund: During the period of Declarant control, the Board will establish a working capital fund sufficient to operate and maintain the Common Elements and Controlled Facilities, if any. Each Unit Owner is required to make a non-refundable contribution of two hundred dollars (\$200) per Unit to the Association's working capital fund, which is paid at the closing on the purchase of each Unit. This amount is a one-time contribution and is not an advance payment of the regular Assessment.

Reserve Fund: Each annual budget will include a reserve fund in an amount considered sufficient for replacement and unanticipated contingencies.

Extraordinary Expenditures. Extraordinary expenditures which may become necessary, and were not anticipated in the annual budget, will be charged against the reserve fund, if such action is approved by the Board.

Segregation of Reserve Expense. The Association has the right to segregate all or some portion of the reserve fund for a specific expense, such as replacement or repair, or other contingency, if such action is approved by action of the Board and Association Members are so advised.

Notification of Reserve Expenditure. Association Members will be notified of any and all expenditure of reserve funds during the year.

Delinquent Assessments and Charges: All regular and special assessments levied against Unit Owners incur interest charges for non-payment at the maximum legal rate per month. Such charges will start on the thirty-first (31st) day following default of payment due for any type of Assessment. These charges, with accrued interest, shall be deemed to part of the delinquent Assessments, and be collectible as such. Non-payment of Assessments will be recorded as a lien against the Unit Owner's property, and prevent sale or transfer of the property until such lien is paid in full.

Repairs and Maintenance: Repair and maintenance of the Common Elements is the responsibility of the Association. Unit Owners are responsible for all repairs and maintenance on and within their Units, with the exception of those items in the Common-Wall Units which are part of the Controlled Facilities.

Liens: Amounts properly assessed against a Unit by the Association constitute a lien against the Unit. Unit owners cannot sell or dispose of their Unit until this lien is satisfied. The Association may collect unpaid assessments by foreclosing the lien and causing a forced sale, and/or by suing the Owner. If an assessment is paid via installments, the full amount of the assessment becomes effective as the lien at the time the first installment is due. Past due installments of assessments will accrue penalties at the current maximum legal installment loan interest rate in Pennsylvania.

Builder Relationship and Responsibilities: Under the current plans for development of Tuscany Estates, the Declarant may, at its sole discretion, develop parcels of the Committed Real Estate with installed gas lines, water lines, electric lines, telephone lines, cable lines, storm water management system, sanitary line extensions and paved roadway to the point where they are ready for construction of Buildings. These parcels are referred to as "Developed Lots." At this point of development, the Declarant has the option to either: (a) sell Developed Lots to a Designated Builder or contractor for the purpose of constructing Units to be marketed and sold to Owners; or (b) construct Units on the Lots which will be marketed and sold by the Declarant or its agents.

If the Declarant exercises option "(a)" and sells Developed Lots to a Designated Builder, then, that person or entity, and its representatives and subcontractors, must adhere to the following conditions, and all requirements of the Act and local governments with regard to the sale of Units in the Planned Community:

- A. Sale of Units by Builder. The Designated Builder and its agents must ensure that all deposits binding the purchase are held in an escrow account and returned in full to the Purchaser if the contract is cancelled.
- B. Financing. The Designated Builder and its agents must advise Purchasers that all offers and applications for mortgage loans and other financing are made solely between the Builder and the Purchaser. Declarant will not provide financing for any Unit purchases and bears no responsibility for financial arrangements and representations between the Seller and Purchasers.

- C. **Warranties.** The Designated Builder shall provide Purchaser with a statutory warranty on the Unit covering structural defects, foundation system and footers, load-bearing beams and walls, and roof trusses, subject to specific exclusions and conditions. The Builder and its agents are responsible for providing warranty information on internal components of the Unit.

Provision of Public Offering Statement. If any person or entity other than the Declarant, including a Designated Builder, Contractor, Realtor, or similar licensed agent, offers a Unit for sale, that person or entity, hereinafter referred to as an “Authorized Seller,” is designated to carry out the Declarant’s responsibility to provide a complete and accurate copy of the Public Offering Statement for the Planned Community and other relevant documents required by the Act, to Purchasers of Units, according to the timetable and conditions stated in the Act.

The Authorized Seller will provide Declarant or its agent, with a signed copy of the Purchaser’s receipt of the Public Offering Statement for each sales contract within five (5) business days of Seller’s acceptance of the contract to ensure compliance with Declarant’s responsibility under the Act. Declarant is not liable for damages or legal costs incurred, by Purchaser or Seller, in the event of delay or invalidation of the sale of a Unit resulting from failure of an Authorized Seller to provide the Public Offering Statement and required information in timely fashion as stated herein and required by the Act.

Notice of Sale of Unit. The Authorized Seller or its agent will advise the Declarant and the Association of the closing of the purchase of a Unit in the Planned Community and the recorded transfer of title to the Owner within twenty (20) business days of completion of the transaction. Advisement of the transfer of title shall serve as notice of intent to pay to Tuscany Estates Association the amount due from the settlement proceeds to the Association’s working capital fund.

Certificate of Membership. As part of the settlement process, the Authorized Seller or its agent will ask the Unit Owner to complete the Certificate of Membership form, which provides the correct name(s), address, telephone contact, and other information about the Owner to the Association. This form will be transmitted to the Association within thirty (30) days after the settlement.

Fees for Use of Common Facilities: Use of the Common Facilities will be funded through pro rata assessment of all Unit Owners in the Tuscany Estates Planned Community. No other usage fees for Common Facilities are anticipated at this time.

Fees for Use of Controlled Facilities: Reserves for maintenance and repairs of Controlled Facilities will be funded through separate assessment of Common-wall Unit Owners in the Tuscany Estates community. No other usage fees for Controlled Facilities are anticipated at this time

Insurance: The Association will maintain liability insurance coverage for the Common Elements of Tuscany Estates. Insurance coverage on the Common-wall Units will include

the building exteriors, but not Owner-installed improvements, contents and possessions inside the Units. Owners may obtain additional liability or homeowners insurance on their Unit, in addition to the coverage maintained by the Association. The Association may require a Unit Owner to rebuild, repair, or replace a residence or structure which is destroyed or damaged by fire, wind storm, flood, or other peril.

Restrictions on Use: Residential Units and the Common Elements of Tuscan Estates are designated solely for residential use. Resident and Tenant access to the Common Facilities for recreational and leisure activity is governed by the rules and regulations of the Association.

Conveyance: Units may be conveyed to Owners prior to completion of the entirety of each phase for all proposed phases of development of the Planned Community.

Liens: Declarant is required by law to release liens affecting the title of a Unit prior to its conveyance to a Purchaser. Units will be conveyed free of liens other than those acquired by the Purchaser. There are no restrictions on alienation of the property of a Unit Owner.

Services and Utilities: Utility services, including water, sewer, gas, electric, telephone and cable service for all Units is public. Water services will be provided by Pennsylvania American Water Company and sewer services by Peters Creek Sanitary Authority. Natural gas service will be provided by Equitable Gas Company and electric service by Allegheny Power. Telephone service will be provided by Verizon and cable service will be provided by Adelphia/Comcast or its successor provider.

Easements and Restrictions: The Planned Community is subject to a number of easements reserved for the Declarant, Designated Builders, and the Association, which are more fully described in the Declaration. In general, these easements include items such as utility egress, repairs to Common Elements, and access to Common Facilities.

Statutory Easements: A Planned Community is subject to statutory easements, including:

1. Provisions in Section 5216 of the Act, which provide that a Unit or Common Element is subject to a valid easement to the extent that any other Unit or Common Element encroaches upon it;
2. Provisions in Section 3217 of The Act, which provide that the Declarant may maintain or authorize placement of sales offices, management offices, and model Units, and construction storage facilities in the community;
3. Provisions in Section 5218 of The Act which allow the Declarant to use Common Elements and open spaces for reasonable purposes to complete the Planned Community

Judgments and Pending Litigation: As of the effective date of this Public Offering Statement, the Declarant is not aware of any judgments or pending litigation which affect the planned community or the Declarant’s ability to convey clear title to the units.

Notice of Violations: The Declarant is unaware of any outstanding or pending notices of violation of governmental policies or requirements.

Property Report: Declarant estimates the useful life and estimated replacement cost (in 2006 dollars) for the structural components of the common elements as follows:

<i>Item</i>	<i>Useful Life</i>	<i>Cost to Replace</i>
Storm Water Detention Ponds	50 years	\$ 100,000
Entrance Pillars	20 years	\$ 10,000
Club Houses	20 years	\$ 200,000
Swimming Pools	20 years	\$ 50,000
Recreation Field	30 years	\$ 30,000
Walking Trails	30 years	\$ 20,000
Sidewalks	30 years	\$ 25,000
Common Parking	20 years	\$ 40,000

All dwellings, Common Facilities, and improvements, including roads and utility installation, are newly constructed under Declarant’s supervision. These estimates assume ongoing maintenance and repairs are done, with no misuse or catastrophe.

Useful Life of Unit Items: The useful life of the structural components and utility installations are estimated here in good faith information by the Declarant. This information may be superseded by specific information provided by the Builder(s).

<i>Item (per unit)</i>	<i>Useful Life</i>	<i>Replacement Cost</i>
Roof system	30 years	\$ 4,000
Water line connections	10 years	\$ 5,000
Exterior finish	10 years	\$ 5,000

Hazardous Conditions: The Declarant, after investigation, has no knowledge of any of the following hazardous conditions:

1. Hazardous Waste, including contamination, affecting the planned community site from substances, waste disposal, or existence of underground storage tanks for petroleum products or other hazardous substances;
2. Finding or action by a governmental body, agency, or public authority to correct a hazardous condition.

Environmental Agencies: Pennsylvania law requires the Declarant to provide the name and contact for the agencies where purchasers may obtain information about the environmental condition of this property. These agencies are:

Pennsylvania Dept. of Environmental Resources, Southwest Region
400 Waterfront Drive, Pittsburgh, PA 15222
PH: 412-442-4400

U.S. Environmental Protection Agency, Region III
841 Chestnut St, Philadelphia, PA 19107
PH: 251-579-6030 or 304-234-0234

Governmental Permits and Approvals: The Declarant has or will obtain required permits and approvals by public entities and/or governments for the development, use, and occupancy of Tuscany Estates as a Planned Community. Permits for construction of individual units will be obtained and posted on site by the Builder.

The Plats and Plans for Phase 1 of Tuscany Estates were recorded in Washington County on August 24, 2004 (PBV 44, pp. 819-823). Plans for Phases 2 were recorded in Washington County (PBV 45, pp. 634-638) on June 14, 2006. Phase 3 plans were recorded in Washington County (PVB 45, pp 698-705) on August 22, 2006.

Modifications: The Declarant reserves the right to change the terms of this Public Offering Statement at any time, at its sole discretion, so long as such changes do not materially affect the terms provided to Purchasers under contract. The Declarant will provide copies of amendments to this Public Offering Statement to any person who is a bona fide party to a valid agreement to purchase a Unit at Tuscany Estates. Declarant has no obligation to provide copies of amendments to the Public Offering Statement to Owners who purchased their Unit(s) prior to the recorded date of the amendment, unless required by the Act.

Qualification of Information: Information about Tuscany Estates not presented in this Public Offering Statement or related exhibits should not be relied on as correct. Statements in this document reflect the facts and conditions reported to the Declarant, and may be based on information provided by engineers, and authorized representatives of county and municipal governments, authorities, and public utilities.

NOTICE: INFORMATION REGARDING THE PLANNED COMMUNITY KNOWN AS TUSCANY ESTATES NOT INCLUDED IN THIS PUBLIC OFFERING STATEMENT, INCLUDING ORAL REPRESENTATIONS, SHOULD NOT BE RELIED ON AS FACTUAL. NO PERSON IS AUTHORIZED TO SPEAK FOR OR MAKE REPRESENTATIONS ON BEHALF OF THE DECLARANT OTHER THAN WHAT IS STATED HERE. THIS STATEMENT MAY BE CHANGED OR MODIFIED ONLY BY A WRITTEN, DATED DOCUMENT ENDORSED BY THE DECLARANT.

APPENDIX

Definition of Terms:

Terms Defined. All capitalized terms used herein and hereafter shall have the following meanings ascribed to them, unless otherwise defined in this document. The definitions shall conform to requirements of the Pennsylvania Uniform Planned Community Act, and any item not defined herein shall have the meaning designated in the Act.

- 1.1 “Act” means the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. § 5101 et. seq.
- 1.2 “Assessments,” namely “Common Facility Assessment” and “Controlled Facility Assessment,” means the pro rata distribution and collection of funds among Unit Owners to pay for the shared cost of maintaining, repairing, and operating the Common Elements in the Planned Community. The meaning of these terms is defined in the Act and more fully described in Article XV herein.
- 1.3 “Association” means Tuscany Estates Association, Inc., a Pennsylvania non-profit corporation, its successors, and assigns.
- 1.4 “Board of Directors” and “Board” mean the duly-elected or appointed members of the Tuscany Estates Association Board of Directors.
- 1.5 “Builder” or “Designated Builder” means any qualified home builder or contractor designated via contract by the Declarant to construct permitted Buildings in the Planned Community. A Builder may offer constructed Units for sale to Owners.
- 1.6 “Building(s)” means any structure or dwelling erected on the Committed Real Estate for individual or common use. When referring to a free-standing unit, “Building” means a single family residence of one or more stories constructed on a Lot. When referring to a common-wall unit, “Building” may mean a townhouse, patio home, carriage home, cluster home, or garden apartment constructed on a Lot.
- 1.7 “Bylaws” mean the approved bylaws of the Tuscany Estates Association, Inc.
- 1.8 “Certificate of Membership” is a document submitted to the Association by the Unit Owner(s) which becomes the official register of Association Members. The Certificate contains the preferred mailing address and contact information of that Member/Owner, which is used to provide notice of Association actions and activity.
- 1.9 “Cluster” means a group of attached residences built with party walls, where such common-wall Units are erected in a defined area or sector of the Planned Community.

- 1.10 “Committed Property” means the recorded real estate described in Exhibit “B” which the Declarant has permanently designated for development.
- 1.11 “Committed Subdivided Parcel” means any parcel of Committed Real Estate which may be further subdivided into Developed Lots for construction of Buildings in the Planned Community. The Declarant, at its sole discretion, shall determine if a Committed Subdivided Parcel is to be developed and further subdivided to contain more than one Lot, as permitted by this Declaration and the Act. Declarant may assign its right to further subdivide a Committed Subdivided Parcel which has been conveyed to a Designated Builder, so long as this is done by properly executed contract which states that the Builder will comply with the requirements of the Act and the Declaration in making further subdivision.
- 1.12 “Common Elements” means the real estate and improvements known as Common Facilities and Controlled Facilities in the Planned Community, which are owned by the Association.
- 1.13 “Common Facilities” means the real estate and improvements within the Planned Community which are owned and maintained by the Association for the benefit of all Unit Owners and residents. Common Facilities may include, but are not limited to, the following components, which may or may not be constructed at the sole discretion of the Declarant: non-public storm water detention systems and ponds, open spaces, private streets and roadways, entrance monuments, swimming pools, clubhouse, recreation fields, parks, playgrounds, and walking trails.
- 1.14 “Common Facility Expenses” means the expense to operate and maintain the Common Facilities, which may include, but is not limited to, costs for maintenance repairs and replacement, liability insurance premiums, wages for employees and contractors, costs of Association management, legal and accounting fees, etc.
- 1.15 “Common-wall Units” means residences created for separate ownership, which may be part of a Cluster and are constructed with at least one party wall, and may share a driveway, yard, soffit, or facia connected to or contiguous with another Unit. Various types of Common-wall Units in this Planned Community may be referred to as townhouses, patio homes, carriage homes, cluster homes, or garden apartments.
- 1.16 “Controlled Facilities” means the real estate, buildings, and improvements within the Planned Community which are not Common Facilities and are designated for the benefit and use of some but not all Units. Controlled Facilities are maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association of Unit Owners, and may include, but are not limited to, the real estate comprising the Common-wall Units, including lawns, roofs, gutters, downspouts, soffit, facia, siding, masonry, and may include private streets, parking areas, clubhouse, pools, parks, trails, playgrounds, and other amenities within the Planned Community.

- 1.17 “Controlled Facility Expense” means the cost of operating and maintaining the Controlled Facilities. These expenses are assessed on pro rata basis against only the Common-wall Unit Owners who benefit from the Controlled Facilities.
- 1.18 “Convertible Real Estate” has the meaning described in the Act.
- 1.19 “Declarant” means Quaker Engineering Co. and its successors, heirs, and assigns.
- 1.20 “Declaration” means this document, as it may be amended from time to time, which describes the covenants, conditions, reservations, and restrictions designated for and assigned to the Tuscan Estates Planned Community.
- 1.21 “Developed Lot” means a parcel of the Committed Real Estate prepared for construction of Buildings and improved with installed gas lines, water lines, electric lines, telephone and cable lines, storm water management system, sanitary line extensions, and roadways. A Developed Lot does not include improvements normally made by a Builder during construction, such as foundation and footings.
- 1.22 “Free-standing Unit” means a single-family residence of one or more stories constructed on a Lot, where the Unit is not attached to any other dwelling.
- 1.23 “Improvements” means all the dwellings, Buildings, and Common Elements as described in Exhibits “B” and “C” as may be amended from time to time.
- 1.24 “Lot” means plots of real estate in the Planned Community, which may be subdivided and developed for construction of residential Units or other Buildings, and excludes the Common Elements as shown on the recorded Plats and Plans.
- 1.25 “Lot Owner” means a person or entity holding title to one or more Developed Lots solely for the purpose of constructing Units thereon which will be offered for sale to Owners. Pursuant to the terms of this Declaration, a Lot Owner shall not be considered a Member of the Association, and, therefore, shall not be entitled to a vote in the Association or be required to pay Assessments.
- 1.26 “Percentage Interest” means the undivided ownership share of each Unit Owner in the Common Elements of the Planned Community.
- 1.27 “Planned Community” has the meaning defined by the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. § 5101 et. seq.
- 1.28 “Plats and Plans” means the recorded plans, as originally recorded or as amended and re-recorded by the Declarant, subdividing the real estate into several phases of development, and described more fully in Exhibits “F,” “G,” and “H.”

- 1.29 “Real Estate” means the real property described in Exhibit “A.”
- 1.30 “Resale Certificate” has the meaning defined in the Act.
- 1.31 “Resident” means any person or persons occupying, renting or leasing a privately owned dwelling in the Planned Community. All Residents, whether they are Unit Owners or Tenants, are subject to the rules and regulations of the Association. The terms “Resident” and “Tenant” may be used interchangeably in this document.
- 1.32 “Unit” means a residential dwelling, permitted by this Declaration and identified in the recorded Plats and Plans, constructed on a developed Lot in the Planned Community for sale to an Owner. The term “Unit” describes multiple types of dwellings in the Planned Community, including Free-standing Units and Common-wall Units.
- 1.33 “Unit Owner” means the Declarant or any other person or entity holding title to one or more Units in the Planned Community for which a certificate of occupancy has been issued, and does not include Lot Owners holding title for the purpose of constructing Units to be sold to Owners or persons or entities holding interest in a Unit as security for a debt or obligation.
- 1.34 “Withdrawable Real Estate” has the meaning described in the Act.

SAMPLE

Tuscany Estates Association
Certificate of Membership

This will certify that on the _____ day of _____, 20____, the following individual(s) and/or entity accepted the deed and title for the Unit specified in the Planned Community of Tuscany Estates, and became the legal Owner of said Unit.

Owner Name _____

Owner Name _____

Unit Location/Address: _____

Unit Type: _____ Model: _____

For multiple or corporate/trust, owners, state who will cast your vote in Association business:

By virtue of their status of the Unit Owner, this person, persons, or entity become Members of the Tuscany Estates Association, Inc., the governance entity for the Planned Community. The Association uses information on this certificate to notify the Member(s) about Association business, including Assessments due on the Unit and notice of meetings and actions of the Association.

Owner Information and Contact

Complete multiple entries (next page) if more than one owner wishes to be notified of Association business, actions, and Assessments.

First Name _____ MI _____ Last Name _____

Preferred Mailing Address _____

Alternate mailing Address _____

E-mail _____ Fax _____

Phone (1) _____ Phone (2) _____

Will you reside in this Unit? YES NO If, No, who will reside in the Unit?

Other relevant/useful information (pets, disabilities, etc.)

Additional Unit Owners Contact Information:

First Name _____ MI _____ Last Name _____

Preferred Mailing Address _____

Alternate mailing Address _____

E-mail _____ Fax _____

Phone (1) _____ Phone (2) _____

First Name _____ MI _____ Last Name _____

Preferred Mailing Address _____

Alternate mailing Address _____

E-mail _____ Fax _____

Phone (1) _____ Phone (2) _____

REVISED CONTACT INFORMATION

Date Submitted _____

First Name _____ MI _____ Last Name _____

Preferred Mailing Address _____

Alternate mailing Address _____

E-mail _____ Fax _____

Phone (1) _____ Phone (2) _____

Tuscany Estates' Resale Certificate Information

Homeowner Responsibilities:

Fees: You may request that the title company pro-rate your association fees to the date of closing. If you do this, you should receive a credit for the remaining fraction of the year and your buyer will be charged that amount. If you don't specifically request this, most title companies will not pro-rate HOA dues.

Transfer Fee: There is no Transfer Fee due to the Association at closing.

Association Responsibilities:

The Property Code requires an HOA to furnish upon request a disclosure statement about your property called a Resale Certificate. This document is normally requested by the title company prior to closing but can be ordered at any time up to 90 days prior to your closing.

The Resale Certificate includes all the legally required HOA disclosures as well as a copy of the deed restrictions or declaration for the buyer. It protects you from later claims by the buyer that you did not disclose HOA-related issues. The Resale Certificate also notes unapproved structures or modifications to the property as well as any outstanding account balance due the HOA

RESALE CERTIFICATE AND DOCUMENTS

TUSCANY ESTATES, A PENNSYLVANIA PLANNED COMMUNITY

Pursuant to Section 5407 of the Planned Community Act, Chapter 68, Pennsylvania Consolidated Statutes, Act 180 of 1996, as amended

Legal Name of Association Tuscany Estates Association, Inc.
("Association")

Unit or Lot No. _____

Address of Unit _____

Name of Unit _____
Owner(s) ("Unit Owner")

The undersigned, Earl Danielson, as Director of the Association, being duly authorized by the Association, hereby certifies to the best of my knowledge that as of December 12, 2010 the following statements accurately reflect the records of Association:

1. *Restraints on Alienation.* There is no right of first refusal or restraint on free alien ability of a unit in the Planned Community except as follows.
OR
To the best of my knowledge there are no restraints on alienation.
2. *Common Expenses.* The amount of the current Common Expense assessment for the Unit is as follows:

_____ per year based on the current annual budget. The unpaid Common Current expense assessment or special assessment currently due and payable on the unit from the selling unit owner is _____. Surplus fund credits of _____ will be applied with regard to the unit. *Unpaid common expenses pursuant to Section 5315 of the Act include fees, charges, late charges, fines, interest charged, and reasonable costs and expenses. The statement of unpaid common expense assessments also includes unpaid charges for the furnishing of this resale certificate and statement of unpaid assessments.*

The following special assessments have been approved but are not yet due and payable:
NONE

3. *Other fees.* Other fees assessed to the Unit Owner are currently _____.
4. *Capital Expenditures.* Capital expenditure in excess of \$5,000, approved by the Board of Directors for the current and next fiscal year are:

5. *Current Capital Reserves.* The Association's reserves for capital expenditures were _____ as of _____.
6. *Balance Sheet and Income Statement.* The most recent regularly prepared balance sheet and income and expense statement of the Association are attached.
7. *Operating Budget.* The current operating budget for the Association is attached.
8. *Judgments/ Suits.* There are **NO** judgments or pending suits against the Association.
OR

9. *Insurance Coverage.* The following is a statement of the insurance provided for the Association for the benefit of Unit Owners

The Association has an insurance policy with _____ with coverage effective through _____.

Owners are responsible for obtaining Homeowners Insurance coverage on their unit.

10. *Alteration or Improvements to the Unit.* The Board of Directors of the Association has knowledge of alterations and improvements to the unit which violate the declaration:

The Association has conducted no inspection nor undertaken any investigation to determine whether the unit, any alterations or improvements thereto, or any limited common elements assigned thereto violate any provision of the declaration. The Association makes no representation of any nature, kind, or extent, with regard to compliance of the unit or the limited common elements assigned thereto with regard to the declaration. The Board of Directors has no knowledge of any violation thereof, except as follows:

11. *Governmental Requirements.* The Board of Directors of the Association has knowledge of the following matters concerning the unit or the remainder of the planned community regarding any violations of applicable governmental requirements or the existence of hazardous conditions.

As with any other land area, naturally existing or seasonal conditions may exist within the community which may be hazardous. The Association has conducted no inspection, nor undertaken any investigation of the unit or the limited common elements assigned thereto to determine the existence of any hazardous conditions. The Association makes no representation of any nature, kind, or extent with regard to the presence or absence of any such condition. The Board of Directors has no knowledge of any such hazardous conditions incident to the unit, except as follows:

12. *Remaining term of Leasehold.* There is no leasehold estate affecting the planned community other than any disclosed in this paragraph, along with its terms for renewal.
13. *Voting.* The declaration and bylaws of the Association provide 2 classes of voting members, *i.e.* Class A (homeowners) & Class B (declarant).

The owner of each unit is a member of the Association and is entitled to one vote on matters of Association business.

14. *Agreements to terminate the Community.* No agreement to terminate the planned community has been submitted to the unit owners for approval or remains outstanding.
15. *Master Association.* The planned community is not a Master Association; is not part of a Master Association; it could not become a Master Association; but could become part of a Master Association.
16. *Time-share Estates.* No time-share estates are allowed per the deed restrictions, bylaws and rules and regulations of the Association.
17. *Declarant Rights.* The Declarant retains rights specified in Governing Documents.
18. *Association Documents.* The following documents are a full and complete statement of Association status and activity, as of the date of this certificate.
 - (a) *Declaration of Protective Covenants, Restrictions, and Easements for **Tuscany Estates**, a Planned Residential Development. **Exhibit A***
 - (b) *Bylaws of the Association adopted **11/07/2006** with subsequent amendments noted where applicable. <http://www.tuscanyestates.org> **Exhibit A***
 - (c) *Rules of the Association. **Exhibit A***
 - (d) *Public Offering Statement. **Exhibit B***
 - (e) *Current operating Budget of the Association. **Exhibit C***
 - (f) *Current Certificate of Insurance. **Exhibit D***
 - (g) *Current Listing of Capital Expenditure Items. **None***
 - (h) *Current Financial Statements of the Association dated _____ **Exhibit C.***
19. *Certificate Fee: There is no fee due for preparation of this certificate.*

Certified on behalf of the Association

By _____

Director signature

Date _____

ACKNOWLEDGMENT
OF RECEIPT OF DOCUMENTATION
REQUIRED UNDER SECTION 5407 OF
THE UNIFORM PLANNED COMMUNITY ACT

*The Undersigned, Seller (Owner) and Buyer (new Owner) owner of the following Unit **Lot #** _____, **Finleyville, PA 15332** acknowledges receipt of the following documents from the Association:*

1. *A copy of the Declaration, other than Surveys and Plans*
2. *Association Bylaws*
3. *Community Rules & Regulations of the Association;*
4. *Resale Certificate containing information required by Section 5047 of the Uniform Planned Community Act.*

Signed copy to be returned to:
Tuscany Estates Association, Inc.
88 Tuscany Estates Dr.
Finleyville, PA 15332

Date

Seller

Buyer

Witness