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DECLARATION OF CONDOMINIUM

for

THE HIGHWOOD A CONDOMINIUM

ARTICLE I

SUBMISSION: DEFINED TERMS

Section 1.1. Declarant; Property; County; Name. MOTHERAL, INC., a Pennsylvania corporation, (the "Declarant"), owner in fee simple of the Real Estate described in Exhibit A attached hereto, located in the City of Pittsburgh, Allegheny County, Pennsylvania, hereby submits the Real Estate, including all easements, rights and appurtenances thereunto belonging and the buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 PA. C.S. §3101 et. seq. (the "Act"), and hereby creates with respect to the Property a condominium, to be known as "The Highwood, A Condominium" (the "Condominium").

Section 1.2. Easements and Licenses. The following are the recorded easements and licenses affecting the Real Estate hereby submitted to the Act:

- a. Coal and mining rights and all rights and privileges incident to the mining of coal heretofore conveyed or reserved by instruments of record; right of surface, lateral or subjacent support; or any surface subsidence.
- b. Easements and servitude's apparent from an inspection of the premises.
- c. Building and use restrictions set forth in the Deed from John Liggett to Mary McK. Thompson dated March 16, 1893, recorded in Deed Book Volume 826, page 368.
- d. An easement for ingress, egress and regress granted to future owners of the adjacent property known as 382 South Highland Avenue, pursuant to instrument dated October 17, 1984 and recorded in Deed Book Volume 6966, page 509.

Section 1.3. Defined Terms.

1.3.1. Terms Defined in the Act. Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.

1.3.2. Terms Defined Herein. The following terms are used or defined in general terms in the Act and shall have specific meanings herein as follows:

- a. "Association" means the Unit Owners' Association of the Condominium and shall be known as the "The Highwood Condominium Association."

- b. "Building" means any building included in the Property.
- c. "Condominium" means the Condominium described in Section 1.1 above.
- d. "Declarant" means the Declarant described in Section 1.1 above and all successors to any Special Declarant Rights.
- e. "Declaration" means this document, as the same may be amended from time to time.
- f. "Executive Board" means the Executive Board of the Association.
- g. "Limited Common Elements" means the Common Elements described as such in the Act, including the indoor storage lockers and exterior parking spaces, as shown on the Plats and Plans.
- h. "Limited Expenses" means the Common Expenses described as such in Section 3314(c) of the Act as modified by Section 2.3 of this Declaration.
- i. "Plats and Plans" means the Plats and Plans being recorded contemporaneously herewith in the office of Recorder of Deeds of Allegheny County, Pennsylvania as the same may be amended from time to time, which are hereby incorporated herein as Exhibit B.
- j. "Property" means the Property described in Section 1.1 above.
- k. "Unit" means a Unit as described herein and in the Plats and Plans.

1.3.3. Non-statutory Terms. The following terms when used herein shall have the meanings set forth below:

- a. "General Common Expenses" means Common Expenses excluding Limited Expenses.
- b. "Percentage Interest" means the undivided ownership interest in the Common Elements appurtenant to each Unit as set forth in Exhibit "C" attached, as the same may be amended from time to time.
- c. "Reserved Common Elements" means portions of the Common Elements which the Executive Board may designate as such from time to time pursuant to Section 3.2 hereof.
- d. "Permitted Mortgage" means any mortgage to the seller of a Unit and a first mortgage to (i) the Declarant; (ii) a bank, trust company, savings bank, savings and loan association, mortgage service institutional investor or lender; (iii) any other mortgagee approved by the Executive Board. A holder of a Permitted Mortgage is referred to herein as a "Permitted Mortgagee".

## ARTICLE II

ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON  
EXPENSE LIABILITIES; UNIT IDENTIFICATION AND BOUNDARIES;  
MAINTENANCE RESPONSIBILITIES

Section 2.1. Plats and Plans. The location and dimensions of the Building and other improvements comprising the property and the location of the Units, Common Elements and Limited Common Elements of the Condominium are shown on the Plats and Plans.

Section 2.2. Percentage Interests. Attached as Exhibit "C" hereto is a list of all Units by their identifying Numbers and the Percentage Interest appurtenant to each Unit, determined on the basis of size, by dividing the "size" of the Unit by the aggregate of the "sizes" of all Units. The "size" of each Unit is the total number of square feet of floor space contained therein determined by reference to the dimensions shown on the Plats and Plans (exclusive of interior partitions). The Percentage Interest shall determine the number of votes in the Association and the share of Common Expense Liability appurtenant to each Unit.

Section 2.3. Unit Boundaries. The title lines or boundaries of each Unit are situated as shown on the Plats and Plans and described as follows: All perimeter walls, floors, ceilings, doors and windows within or comprising part of each Unit. Each Unit shall also consist of all spaces, interior partitions and other fixtures and improvements within the title lines described above. Each Unit shall include the items within the title lines described in paragraphs (1) and (3) of §3202 of the Act which are appurtenant to the Unit.

Section 2.4. Maintenance Responsibilities: Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of §3307 of the Act, except as expressly set forth to the contrary herein. All Common Expenses associated with the maintenance of a Limited Common Element shall be assessed as Limited Expenses against the Units to which such Limited Common Element was assigned at the time the expense was incurred in the same proportions as the respective Percentage Interests of all such Units. Structural repairs or replacements of all general and Limited Common Elements, including but not limited to the roof, garage, storage lockers and landscaping areas shall be the responsibility of the Association, the costs to be charged as General Common Expenses.

Section 2.5. Relocation of Unit Boundaries: Relocation of boundaries between Units and conversion of Units by the Declarant will be permitted subject to compliance with the provisions of §§3214 and 3215 of the Act. Subdivision or conversion of Units by the Declarant pursuant to §3215(c) of the Act may not result in more than ten (10) additional Units.

ARTICLE III

DESCRIPTION, ALLOCATION AND RESTRICTION OF

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 3.1. Limited Common Elements. Portions of the Common Elements are marked on the Plats and Plans as "Limited Common Elements" including the storage lockers, indoor and outdoor parking spaces. Declarant reserves the right to make the initial assignment of the parking spaces and storage areas as Limited Common Elements for the exclusive use of certain Unit Owners to whose Units these parking spaces and storage areas shall become appurtenant. The Declarant may assign such Common Elements as

Limited Common Element parking spaces or storage areas pursuant to the provisions of Section 3209(c) of the Act by making such an assignment in a written instrument of assignment or in the deed to the Unit to which such Limited Common Element parking space and/or storage area shall be appurtenant or by recording an appropriate amendment to this Declaration. Such assignments by the Declarant may be to Units owned by the Declarant.

Section 3.2. Designation of Reserved Common Elements. Reserved Common Elements are those parts of the Common Elements which the Executive Board may designate from time to time for use by less than all of the Unit Owners or by non-owners of any Units for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive Board. Included in the Reserved Common Elements shall be the laundry room and such other areas as the Executive Board may designate.

#### ARTICLE IV

#### EASEMENTS

Section 4.1. Additional Easements. In addition to and in supplementation of the easements provided for by §§3216, 3217, 3218 of the Act, the following easements are hereby created:

a. Declarant's Use for Sales Purposes. Declarant shall have the right to maintain sales offices, management offices and models throughout the Property. Declarant reserves the right to place models, management offices and sales offices on any portion of the Common Elements in such manner, of such size and in such locations as Declarant deems appropriate or to use any Unit for such purposes. Declarant may from time to time relocate models, management offices and sales offices to different locations within the Common Elements. Upon the relocation of a model, management office or sales office constituting a Common Element, Declarant may remove all personal property and fixtures therefrom. Any fixtures not so removed shall be deemed Common Elements, and any personal property not so removed shall be deemed the property of the Association.

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

c. Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Common Elements not located within the Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section expressly includes the right to cut any trees,

bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as practicable.

d. Signs. Declarant shall have the right to maintain on the property such advertising signs as Declarant in its sole discretion may deem appropriate, provided that such signs comply with applicable governmental requirements. Declarant may from time to time relocate such advertising signs.

e. Construction Easement. Until the expiration of four (4) years after the date thereof, the Declarant shall have an easement through the Units and the Common Elements for access or any other purposes necessary to complete any renovations or work to be performed by the Declarant.

## ARTICLE V

### AMENDMENT OF DECLARATION

Section 5.1. Amendment Procedure. This Declaration may be amended only in accordance with the procedures specified in Section 3219 of the Act, the other Sections of the Act referred to in Section 3219 thereof and the express provisions of this Declaration.

Section 5.2. Rights of Permitted Mortgagees. Subject to the limitations imposed by Section 3221 of the Act and except as set forth below, no amendment of this Declaration may be made without the prior written approval of all Permitted Mortgagees if and to the extent that such approval is required by the Act or if and to the extent that such amendment would have the effect of (i) terminating or abandoning the Condominium (except for termination or abandonment as a result of taking of all the Units by eminent domain); (ii) abandoning, encumbering, selling or transferring the Common Elements; (iii) partitioning or subdividing any Unit or the Common Elements; or (iv) changing the Percentage Interests of any Unit Owners. Such approval shall not be required with respect to any Amendment pursuant to Articles VI, VII or VIII below. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed to be a transfer within the meaning of this Section.

Section 5.3. Other Amendments. If any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of this Declaration or the Plats and Plans which is defective or inconsistent with any other provision hereof or appearing or failing to appear in the Plats and Plans which is incorrect, defective or similarly inconsistent, or if such amendment is necessary to conform to then current requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to Condominium projects, the Executive Board may, at any time and from time to time effect such amendment without the approval of the Unit Owners or Permitted Mortgagees, upon receipt by the Executive Board of an opinion from independent registered architect or licensed professional engineer in the case of any such amendment to the Plats and Plans. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution and acknowledgment by one or more officers of the Executive Board.

## ARTICLE VI

### USE RESTRICTIONS

6.1. Use and Occupancy of Units and Common Elements: The occupancy and use of the Units and Common Elements shall be subject to the following restrictions:

a. All Units, or any two or more adjoining Units used together, shall be used only as a residence for a single family (or housekeeping Unit) or such other uses permitted by this Declaration. With the prior consent of the Executive Board, portions of the Common Elements may be used for any lawful commercial purposes, not inconsistent with all applicable laws, codes or ordinances. No Unit owner shall permit his Unit to be used or occupied for any prohibited purpose.

b. Except as set forth in subparagraph "a" above, no industry, business, trade, occupation or profession of any kind shall be conducted, maintained, or permitted on any part of the Property. Except for a single small, non-illuminated name sign on the door of a Unit, no signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Executive Board. The right is reserved by the Declarant or its agent or agents to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units, and on any part of the Common Elements, and the right is hereby given to any permitted Mortgagee, who may become the Owner of any Unit, to place such signs on any Unit owned by such Permitted Mortgagee.

c. There shall be no obstruction or alteration of the Common Elements nor shall anything be stored in or on the Common Elements without the prior consent of the Executive Board except as herein expressly provided. The use and the covering of the interior surfaces of windows, whether by draperies, shades or other items visible on the exterior of the Buildings, shall be subject to the Rules and Regulations of the Executive Board.

d. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Property, or contents thereof, without the prior written consent of the Executive Board, which consent may be conditioned upon the Unit Owner of such Unit being required to bear the full amount of such increase. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will violate any law, statute, ordinance or regulation of any governmental body or which will result in the cancellation of any insurance maintained by the Executive Board. No waste shall be committed in the Common Elements.

e. No person shall create a nuisance on the Property or engage in any use or practice which interferes with the peaceful possession or proper use of any of the Units or of the Common Elements.

f. No Unit Owner, or Occupant shall (i) make any installation which extends beyond the physical limits of Unit Owner's or Occupant's Unit into the Common Elements; (ii) paint or otherwise alter the structure, form or appearance of the exterior portion of any wall, window, door or other portion of the Property which is visible from outside of such Unit; or (iii) place any sign, notice, advertisement or the like on any part of the Property which is visible from outside of such Unit.

g. No Unit Owner shall do any work or any other act which would jeopardize the soundness or safety of the Property or any part thereof, or impair any easement or hereditament without the unanimous consent of the Unit Owners affected thereby.

h. No animals of any kind shall be raised, bred or kept in the condominium.

6.2. Additions, Alterations or Improvements to Units. No Unit Owner shall make or permit any addition, alteration or improvement to his Unit which could or might affect the structural integrity of the Building. No Unit Owner shall make or permit any other structural change, addition, alteration or improvement in or to his Unit without the prior written consent of the Executive Board, which shall not be unreasonably withheld, and, if such change so consented to would result in rendering inaccurate the description of that Unit on the Plats and Plans, it shall not be undertaken until the Plats and Plans have been duly amended at the cost and expense of such Unit Owner. Requests for such consent shall be accompanied by detailed plans and specifications showing the proposed addition, alteration or improvement, and shall name the contractors and subcontractors to be employed. The Executive Board shall act upon requests within thirty (30) days after receipt thereof, and shall be deemed to have acted favorably in cases where no response is made within that period. Application to any governmental authority for necessary permits shall be made only by the Executive Board as agent for and at the expense of the Unit Owner, without incurring any liability to such authority or to any contractor, subcontractor or materialman or to any person having any claim for injury to person or damage to property from such work.

6.3. Rules and Regulations: Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Executive Board, subject to the right of the Association to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such Rules and Regulations or any amendments thereto.

6.4 Sale of Units. Any owner who wishes to sell his or her Unit shall, at least ten (10) days prior to accepting any offer to sell, give to the Association written notice of the terms of such offer, which notice shall specify the name and address of the offeror. If, within said ten-day period, time being of the essence, the Association or its nominee submits to the Owner an identical or more favorable offer, the Owner must accept the offer of the Association in preference to the original offer. If the Association does not make an offer within said ten-day period, time being of the essence, then the Owner may sell his or her Unit to the original offeror. The Association shall have sole discretion in this matter and no vote or approval of the Unit Owners is required. Any holder of a mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage or any purchaser at a Sheriff's sale of the Unit or any mortgagee, or its designee, who accepts a Deed for the Unit in lieu of foreclosure, shall be exempt from the provisions of this section with respect to their obtaining title to the Unit. Thereafter they shall be subject to the provisions of this paragraph.

## ARTICLE VII

### MORTGAGES

7.1. Permitted Mortgages. A Unit Owner other than the Declarant or the Executive Board may not voluntarily encumber or subject his or its Unit to any lien, other than the lien of a Permitted Mortgage. Whether or not they expressly so state, all such Permitted Mortgages and the obligations secured thereby shall be deemed to provide, generally, that the Permitted Mortgage, and the rights and obligations of the parties thereto, shall be subject to the terms and conditions of the Act and this Declaration and shall be deemed to provide specifically, but without limitation, that the Permitted Mortgagee shall have no right (a) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, or (b) to accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere on the



Property other than within the affected Unit, and the obligation secured shall be prepayable, without penalty, upon the happening of any termination of the Condominium or determination not to restore or replace the affected Unit. No Unit Owner shall deliver any Permitted Mortgage, or any obligation to be secured thereby, unless it has first notified the Executive Board of the name and address of the proposed Permitted Mortgagee. Upon receipt of notice of a Permitted Mortgage, the Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the Permitted Mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Permitted Mortgagee with a Certificate of Insurance showing that the Permitted Mortgagee's name has been so added. The Secretary shall maintain a register of such Permitted Mortgages, showing the names and addresses of the Permitted Mortgagees and the amount secured thereby.

7.2. Rights of Permitted Mortgagees: Upon the specific written request of a holder of a mortgage on a Unit or its servicer to the Executive Board, the mortgagee shall be entitled to receive some or all of the following as designated in the request:

- a. Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Owner of the Unit covered by the mortgage;
- b. Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;
- c. Copies of notices of meetings of the Unit Owners and the right to designate a representative to attend such meetings;
- d. Notice of the decision of the Unit Owners to make any material amendment to this Declaration;
- e. Notice of substantial damage to or destruction of any Unit (the repair of which would cost in excess of \$1,000) or any part of the Common Elements (the repair of which would cost in excess of \$10,000);
- f. Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;
- g. Notice of any default by the owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Unit Owner of the existence of the default;
- h. The right to examine the books and records of the Executive Board at any reasonable time; or
- i. Notice of any decision by the Executive Board to terminate professional management and assume self-management of the Property.

The request of a mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board need not inquire into the validity of any request made by a mortgagee hereunder.

Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

## ARTICLE VIII

### LEASING

A Unit Owner may lease or sublease his Unit (but not less than his entire Unit) at any time and from time to time provided that: (1) no Unit may be leased or subleased for transient or hotel purposes or for an initial term of less than one year; (2) no Unit may be leased or subleased without a written lease or sublease on a form approved by the Executive Board; (3) a copy of such lease or sublease shall be furnished to the Executive Board within ten (10) days after execution thereof; and (4) a breach of the Declaration, By-laws or Rules and Regulations of the Condominium shall constitute a default under the lease or sublease and the lessee or sublessee shall be bound by and subject to the Declaration, By-laws and Rules and Regulations of the Condominium.

## ARTICLE IX

### BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

9.1. Monthly Payments: All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed on a monthly basis (rather than on an annual basis payable in monthly installments) and shall be due and payable in advance on the first day of each month. Special assessments and fines shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

9.2. Subordination of Certain Charges: Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to §3302(a) (10), (11) and (12) of the Act, shall be subordinate to the lien of a Permitted Mortgage on a Unit.

9.3. Surplus: The budget of the Association shall segregate Limited Expenses from General Common Expenses. Any amounts accumulated from assessments and income from the operation of the Common Elements in excess of the amount required for actual expenses and reserves for future expenses shall be credited to each Unit Owner in accordance with their Percentage Interests, said credits to be applied to the next monthly assessments of General or Limited Common Expenses due from said Unit Owners under the current fiscal year's budget, and thereafter, until exhausted.

9.4. Limitation on Expenditures: There shall be no structural alterations, capital additions to, or capital improvements on the Common Elements (other than for purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Ten Thousand (\$10,000.00) Dollars without the prior approval of a majority of the Unit Owners entitled to vote.

9.5. Reserve: Each annual budget for Common Expenses shall include an amount reasonably considered by the Executive Board to be sufficient as a reserve for replacements, contingencies, capital expenditures and deferred maintenance. To initiate such reserve, the Declarant shall collect from each of its grantees, at time of settlement the amount of \$200.00 for each one-bedroom unit and \$250.00 for each two-

bedroom unit, and shall remit such amount to the Association. In addition, the Executive Board shall have the right to segregate all or any portion of the reserve for any specific replacement or contingency upon such conditions as the Executive Board deems appropriate.

9.6. Accounting: Within One Hundred Twenty (120) days after the end of the fiscal year of the Association, the Executive Board shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding fiscal year actually incurred and paid together with a tabulation of the amounts collected pursuant to the annual budget or assessments and leases and sales of property owned or managed by the Executive Board on behalf of the Association, and showing the net excess or deficit of income over expenditures plus reserves.

9.7. Interest and Charges: All sums assessed by the Executive Board against any Unit Owner shall bear interest thereon at the rate of fifteen (15%) percent per annum or such other rate as may be determined by the Executive Board from the tenth (10th) day following default in payment of any assessment when due. Any delinquent Owner shall also be obligated to pay (i) all expenses of the Executive Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (ii) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such, subject to Section above.

## ARTICLE X

### DECLARANT'S RIGHTS

10.1. Control: Election of the members of the Executive Board shall be subject to the following conditions:

a. Until the 60th day after conveyance of 12 Units to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.

b. Not later than 60 days after conveyance of 36 units to Unit Owners other than Declarant, two of the three members of the Executive Board shall be elected by Unit Owners other than Declarant.

10.2. Declarant Owned Units: Declarant will only be required to pay its pro rata share of actual operating expenses of the Building for any Units which it owns but which are not occupied by Declarant.

## ARTICLE XI

### LIMITATION OF LIABILITY

11.1. Limited Liability of the Executive Board. The Executive Board, and its members in their capacity as members, officers and employees:

a. Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to Persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Building, or from any of its pipes, drains conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

b. Shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

c. Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;

d. Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

e. Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

f. Shall have no personal liability arising out of the use, misuse or condition of the Building, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

11.2 Indemnification. Each member of the Executive Board, in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which

such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

11.3 Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holders of any mortgages on Units and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages on Units shall have no right to participate in such defense other than through the Association.

11.4 Insurance. The Executive Board shall obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth above, if and to the extent reasonably available.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed on this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

ATTEST: MOTHERAL, INC.

By \_\_\_\_\_  
ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :

: SS:

COUNTY OF ALLEGHENY :

On this 1st day of \_\_\_\_\_, 1984 before me, a Notary Public, the undersigned officer, personally appeared G. BRINTON MOTHERAL, III, who acknowledged himself to be the President of Motheral, Inc., a corporation, and being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

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

\_\_\_\_\_  
Notary Public

My Commission Expires:

EXHIBIT A

DESCRIPTION OF PROPERTY

ALL THAT CERTAIN lot of ground situate in the Seventh Ward of the City of Pittsburgh, County of Allegheny and Commonwealth of Pennsylvania, bounded and described as follows:

BEGINNING at a point on the south side of Elwood Street, 194.18 feet Westwardly from the Southwest corner of Highland Avenue and Elwood Street; thence Eastwardly along Elwood Street 194.18 feet to the corner of Highland Avenue and Elwood Street; thence Southwardly along Highland Avenue 145 feet to line of property now or formerly of John Liggett; thence Westwardly at right angles to Highland Avenue along John Liggett's line 140 feet to a point; and thence Northwardly along said John Liggett's line 53.98 feet to the PLACE OF BEGINNING.

HAVING ERECTED thereon a six-story brick apartment building being known and numbered as 372 South Highland Avenue.

AND

ALL THAT CERTAIN lot of ground situate in the Seventh Ward of the City of Pittsburgh, County of Allegheny and Commonwealth of Pennsylvania, bounded and described as follows:

BEGINNING on the Westerly side of South Highland Avenue at a point distant 145 feet Southwardly from the Southwesterly corner of South Highland Avenue and Elwood Street and at line of property now or late of Elizabeth McCaffery; thence Southwardly along the line of South Highland Avenue 35 feet to a pin; thence Westwardly by line at right angles with South Highland Avenue 120 feet to a pin; thence Northwardly by line running at right angles with Elwood Street 40 feet, more or less, to line of lot now or late of Elizabeth McCaffery; and thence Eastwardly along said line and at right angles to South Highland Avenue a distance of 140 feet to a point on the Westerly side of South Highland Avenue at the PLACE OF BEGINNING.

TOGETHER with all of the right, title and interest, inchoate or absolute, of the Grantor in and to any of the real property immediately adjoining the lots above described and in and to any easements over, under, through or across such adjoining real property which the Grantor and its predecessors in title have acquired or are acquiring through the exercise of adverse possession and of prescription, for the purpose of continuing or taking such adverse possession or prescription to that which shall hereafter be exercised by the Grantee, its successors and assigns.

BEING Block 84-P, Lot No. 182 in the Deed Registry Records of Allegheny County.

THE HIGHWOOD, A CONDOMINIUM  
EXHIBIT C

INITIAL UNDIVIDED INTEREST IN COMMON ELEMENTS APPURTENANT TO EACH UNIT

<u>Unit</u>	<u>Unit</u>	
<u>No.</u>	<u>Type</u>	<u>Interest</u>
101	One-bedroom	1.8675
102	Two-bedroom	2.3990
103	One-bedroom	2.0112
104	Two-bedroom	2.5140
105	One-bedroom	2.0399
107	One-bedroom	2.0399
108	One-bedroom	2.1548
201	One-bedroom	1.8675
202	Two-bedroom	2.3990
203	One-bedroom	2.0112
204	Two-bedroom	2.5140
205	One-bedroom	2.0399
206	One-bedroom	2.0399
207	One-bedroom	2.0399
208	One-bedroom	2.1548
301	One-bedroom	1.8675
302	Two-bedroom	2.3990
303	One-bedroom	2.0112
304	Two-bedroom	2.5140
305	One-bedroom	2.0399
306	One-bedroom	2.0399
307	One-bedroom	2.0399
308	One-bedroom	2.1548
401	Two-bedroom	2.4651
402	One-bedroom	1.7992
403	One-bedroom	2.0112
404	Two-bedroom	2.5140
405	One-bedroom	2.0399
406	One-bedroom	2.0399
407	One-bedroom	2.0399
408	One-bedroom	2.1548
501	Two-bedroom	2.4651
502	One-bedroom	1.7992
503	One-bedroom	2.0112
504	Two-bedroom	2.5140
505	One-bedroom	2.0399
506	One-bedroom	2.0399
507	One-bedroom	2.0399
508	One-bedroom	2.1548
601	One-bedroom	1.8675
602	Two-bedroom	2.3990
603	One-bedroom	2.0112
604	Two-bedroom	2.5140

605	One-bedroom	2.0399
606	One-bedroom	2.0399
607	One-bedroom	2.0399
608	One-bedroom	2.1548
	Total	100.0000%



BY-LAWS  
OF  
THE HIGHWOOD  
CONDOMINIUM ASSOCIATION

ARTICLE I

Introductory Provisions

1.1. Applicability. These By-laws provide for the governance of the Condominium Association created by the recording of the Declaration of Condominium for The Highwood, A Condominium in the office of Recorder of Deeds of Allegheny County, Pennsylvania at Deed Book Volume \_\_\_\_\_, page \_\_\_\_\_, pursuant to the requirements of Section 3306 of the Pennsylvania Uniform Condominium Act ("the Act").

1.2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration of Condominium or, if not defined therein, the meanings specified or used for such terms in the Act.

1.3. Compliance. Pursuant to the provisions of the Act, every Unit Owner and all Persons who occupy a Unit shall comply with these By-laws.

1.4. Office. The office of the Condominium, the Association, and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

ARTICLE II

The Association

2.1. Composition. The Association is hereby organized on the date hereof as an unincorporated association. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Act, the Declaration and these By-laws. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board or Managing Agent as more particularly set forth in these By-laws.

2.2. Annual Meetings. The annual meetings of the Association shall be held on the 1st day of February of each year unless such date shall occur on a holiday, in which event the meeting shall be held on the succeeding Monday. At such annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.3 of these By-laws (subject to Article X of the Declaration) and such other business as may properly come before the meeting may be transacted.

2.3. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.

2.4. Special Meetings.

a. The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least 25% of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within 45 days after receipt by the President or Secretary of said resolution or petition; provided, however, if the purpose includes the consideration or the rejection of a budget or capital expenditure pursuant to Section 5.8 below, such meeting shall be held within 15 days after receipt of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

b. Within sixty (60) days after conveyance of twenty-five percent (25%) of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which two of the members of the Executive Board designated by the Declarant shall resign (such members to be selected by the Declarant), and the Unit Owners, excluding the Declarant as a Unit Owner, shall thereupon elect a successor members of the Executive Board to act in the place and stead of the members resigning. Such successor members shall serve until the annual meeting of the Association following the meeting at which he was elected.

c. Within sixty days after the date by which all Declarant appointed members of the Executive Board must resign pursuant to Article X of the Declaration, a special meeting of the Association shall be held at which all of the members of the Executive Board designated by the Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning. The successor member receiving the highest number of votes shall serve until the second annual meeting of the Association following the date of the election of the successor to the member elected pursuant to subparagraph b above, and the successor member receiving the next highest number of votes shall serve until the first annual meeting of the Association following the date of the election of the successor to the member elected pursuant to subparagraph b above.

d. Notwithstanding the foregoing, if any meeting required pursuant to subparagraphs b and c above could be held on the date an annual meeting of the Association is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.

2.5. Notice of Meetings. The Secretary shall give to each Unit Owner a notice of each annual or regularly-scheduled meeting of the Association at least twenty but not more than sixty days, and of each special meeting of the Unit Owners at least ten but not more than forty-five days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this Section and Section 8.1 of these By-laws shall be considered service of notice.

2.6. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.

2.7. Voting. Voting at all meetings of the Association shall be on a percentage basis and the percentages of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration. Any Unit Owner who is more than forty-five (45) days delinquent in the payment of any assessments shall not be entitled to vote. Where the ownership of a Unit is in more than one Person, the Person who shall be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named Person from the meeting, the person who shall be entitled to cast the vote of such Unit shall be the Person owning such Unit who is present. If more than one Person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 3310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these By-laws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Declaration or these By-laws, the owners of more than fifty percent of the aggregate Percentage Interests in the Condominium voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association. Any specified percentage of the Unit Owners means the Unit Owners owning such Percentage Interests in the aggregate. In all elections for Executive Board members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owner as provided in the Declaration. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. Except as set forth in Section 2.4 (b) and (c), if the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

2.8. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a Permitted Mortgagee or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

2.9. Quorum. Except as set forth below, the presence in person or by proxy of Unit Owners having twenty percent or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Unit Owners Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast ten percent of the votes which may be cast for the election of the Executive Board are present in person or by proxy at the beginning of the meeting.

2.10. Conduct of Meetings. The President (or in his absence, one of the vice-presidents) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions

occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these By-laws or the Act. All votes shall be tallied by tellers appointed by the President.

### ARTICLE III

#### Executive Board

3.1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of not less than three nor more than five natural persons, all of whom shall be Unit Owners or designees of the Declarant. No more than one member shall be elected from any unit. The initial Board shall consist of three members. The members of the Association shall have the right to increase the number of Board members to five by voting for such increase at any annual meeting of the Association.

3.2. Delegation of Powers; Managing Agent. The Executive Board may employ for the Condominium a "Managing Agent at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these By-laws; provided, however, where a Managing Agent does not have the power to act under the Act, the Declaration or these By-laws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these By-laws other than the following powers:

- a. to adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- b. to adopt, repeal or amend Rules and Regulations;
- c. to designate signatories on Association bank accounts;
- d. to borrow money on behalf of the Association;
- e. to acquire and mortgage Units;
- f. to designate Reserved Common Elements;
- g. to allocate Limited Common Elements.

Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty days' written notice and without cause on no more than ninety days' written notice. The term of any such contract may not exceed one year.

#### 3.3. Election and Term of Office.

a. At the annual meetings of the Association, subject to Article X of the Declaration, the election of members of the Executive Board shall be held. The term of office of any Executive Board

member to be elected (except as set forth in Sections 2.4 c and 3.5 hereof) shall be fixed at two years. The members of the Executive Board shall hold office until the earliest to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself. It is intended that Board members shall serve staggered terms. In the event that at the first meeting of the Association after the termination of the developer's rights as set forth in the Declaration all Board members are elected, then two members shall be elected for an initial term of one year and the remaining member (or members) shall be elected for two-year terms.

b. Persons qualified to be members of the Executive Board may be nominated for election only as follows:

(1) Any Unit Owner may submit to the Secretary at least thirty days before the meeting at which the election is to be held a nominating petition signed by Unit Owners owning at least five Units in the aggregate, together with a statement that the person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting; and

(2) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Executive Board for which no more than one person has been nominated by petition.

#### 3.4. Removal or Resignation of Members of the Executive Board.

a. Except with respect to members designated by Declarant at any regular or special meeting of the Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Unit Owners entitled to cast a majority of all votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least ten days notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

b. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit. Declarant shall have the right to remove and replace any or all members appointed by Declarant at any time and from time to time until the required resignation date specified in Article X of the Declaration.

3.5. Vacancies. Except as set forth in Section 3.4 above with respect to members appointed by Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board until a successor shall be elected at the next annual meeting of the Association. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

3.6. Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within ten days thereafter at such time and place as shall be fixed by the

President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

3.7. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least once every three months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member by personal delivery, mail or telegraph, at least three business days prior to the day named for such meeting.

3.8. Special Meetings. Special meetings of the Executive Board may be called by the President on at least three business days' notice to each member, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Executive Board.

3.9. Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

3.10. Quorum of the Executive Board. At all meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

3.11. Compensation. Unless approved by a majority of the Unit Owners, no member of the Executive Board shall receive any compensation from the Association for acting as such, other than reimbursement for any expenses incurred in the performance of his duties.

3.12. Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration, these By-laws or the Act.

3.13. Action Without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board. Action may also be taken by conference telephone or other electronic means whereby all Board members can participate simultaneously.

3.14. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm, or association in which one or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

a. The fact that an Executive Board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

b. The Contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

3.15. Inclusion of Interested Executive Board Members in the Quorum. Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.14 hereof.

## ARTICLE IV

### Officers

4.1. Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.

4.2. Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.

4.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for such purpose.

4.4. President. The president shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

The President shall cease holding such office at such time as he ceases to be a member of the Executive Board.

4.5. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other member of the Executive Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned him by the Executive Board or by the President. The Vice President shall cease holding such office at such time as he ceases to be a member of the Executive Board.

4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and Permitted Mortgagees hereunder shall be delivered and, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any Person, or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to Sections 3315(g), 3407(b) of the Act and Sections 5.9 and 5.11 below, upon payment of the fee set by the Executive Board for such service.

4.7. Treasurer. The Treasurer shall have the responsibility for the safekeeping of Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board and, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of Pennsylvania.

4.8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$5,000 shall be executed by any two officers of the Association. All such instruments for expenditures or obligations of \$5,000 or less may be executed by any one officer of the Association.

4.9. Compensation of Officers. No officer who is also a member of the Executive Board shall receive any compensation from the Association for acting as such officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

## ARTICLE V

### Common Expenses: Budgets

5.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

5.2. Preparation and Approval of Budget.



5.2.1. On or before the first day of November of each year (or sixty days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements' and those parts of the Units as to which it is the responsibility of the Executive Board to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these By-laws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The budget shall segregate General Common Expenses and Limited Expenses, if any.

5.2.2. On or before the next succeeding fifth day of November (or fifty-five days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owners' assessments for General Common Expenses and Limited Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 5.8 below.

5.2.3. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

### 5.3. Assessment and Payment of Common Expenses.

5.3.1. General Common Expenses. The Executive Board shall calculate the monthly assessments for General Common Expenses against each Unit by multiplying (a) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any Limited Expenses and income expected to be received from sources other than Common Expense assessments and the operation of the Limited or Reserved Common Elements to which the Limited Expenses pertain, by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within one hundred and twenty (120) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each Permitted Mortgagee who has registered an address with the Secretary an itemized account of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to General Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable in one or more monthly assessments, as the Executive Board may determine.

5.3.2. Limited Expenses. The Executive Board shall calculate the monthly assessments for Limited Expenses, if any, against each Unit obligated to pay Limited Expenses by multiplying (a) the total

amount of the estimated funds required for Limited Expenses set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from the operation of the Limited or Reserved Common Elements to which the Limited Expenses pertain other than Limited Expense Assessments by (b) the share of Limited Expenses (expressed in decimal form) allocated to each such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within one hundred (120) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each Permitted Mortgagee who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Limited Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners obligated to pay Limited Expenses in accordance with their allocable share of Limited Expenses and shall be payable in one or more monthly assessments, as the Executive Board may determine.

5.3.3. Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expenses and/or Limited Expenses which shall be assessed against the Unit Owners either according to their respective Percentage Interests with regard to General Common Expenses or in accordance with allocable shares of Limited Expenses with regard to Limited Expenses (whichever is appropriate), and shall be payable in one or more monthly assessments as the Executive Board may determine.

5.4. Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.3.1, 5.3.2 or 5.3.3 or otherwise as permitted or required by the Act, the Declaration and these By-laws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Sections 5.3.1 and 5.3.2.

5.5. Fines. The Executive Board shall have the power to levy fines as set forth in the Act, which shall be considered as a further assessment against the Unit as set forth in Section 5.4 hereof.

5.6. Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided in Section 5.3 above.

5.7. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner

shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

5.8. Accounts; Audits. All sums collected by the Executive Board with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. Reserves shall be maintained in a separate fund, although different types of reserves may be commingle in one reserve fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Executive Board.

5.9. Rejection of Budget; Limitations on Expenditures and Borrowing. Anything herein to the contrary notwithstanding, the Association, by majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board, within thirty days after approval by the Executive Board. The power of the Executive Board to expend funds, incur expenses or borrow money on behalf of the Association is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-laws, shall be required to (i) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than 10% of such aggregate amount after taking into account any projected increases in income, and (ii) to borrow money so that loans of the Association then outstanding would exceed 10% of such aggregate amount.

5.10. Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five days following a written request thereof or to the Executive Board or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and, provided further that, subject to Section 3315(b)(2) of the Act, each Permitted Mortgagee who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such mortgagee or purchaser comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

5.11. Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment not paid within five days after its due date shall accrue a late charge in the amount of 5% of the overdue assessment in addition to interest at the rate of 15% per annum or such other rate as may be determined by the Executive Board.

5.12. Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, contract purchaser or Permitted Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Act.

## ARTICLE VI

### Compliance and Default

6.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-laws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the follow relief:

a. Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

b. Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner, the association shall be entitled to recover the costs of such proceeding and reasonable attorney's fees.

c. No Waiver of Rights. The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these By-laws, the Executive Board Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these By-laws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these By-laws, the Rules and Regulations or the Act or at law or in equity.

d. Abating and Enjoining Violations by Unit Owners. The violation of any of the Executive Board Rules and Regulations adopted by the Executive Board, the breach of any By-laws contained herein or the breach of any provision of the Declaration or the Act shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (b) to

enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

## ARTICLE VII

### Amendments

7.1. Amendments to By-laws. These By-laws may be modified or amended only by vote of Unit Owners entitled to cast a majority of the votes in the Association, except as otherwise expressly set forth herein or in the Act; provided, however, that until the date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to Article X of the Declaration, (i) Section 2.4, (ii) Section 3.1, and (iii) this Section 7.1 may not be amended without the consent in writing of Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these By-laws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

7.2. Approval of Mortgagees. These By-laws contain provisions concerning various rights and interests of Permitted Mortgagees. Such provisions in these By-laws are to be construed as covenants for the protection of such Permitted Mortgagees on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these By-laws impairing or affecting such rights, priorities, remedies or interests of a Permitted Mortgagee shall be adopted without its or their prior written consent.

7.3. Amendments to the Declaration. Any two officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

## ARTICLE VIII

### Miscellaneous

8.1. Notices. All notices, demands, bills, statements or other communications under these By-laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Executive Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

8.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws or the intent of any provision thereof.

8.3. Gender. The use of the masculine gender in these By-laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, these By-laws have been adopted this \_\_\_\_ day of \_\_\_\_\_, 1984.

WITNESS: THE HIGHWOOD CONDOMINIUM ASSOCIATION

\_\_\_\_\_ By: \_\_\_\_\_

**RULES AND REGULATIONS OF  
THE HIGHWOOD, A CONDOMINIUM  
Amended April 17, 1996**

The terms herein shall have the same meanings as defined in the Declaration of Condominium of the property known as The Highwood, A Condominium, a condominium created under and subject to the Pennsylvania Uniform Condominium Act. All present and future owners, mortgagees, lessees and occupants of the Units and of the Common Elements and their agents, employees and invitees and any other person or entity who or which may use the facilities of the Property are subject to and bound by these rules, and all amendments thereof.

**GENERAL**

A. For your own safety as well as all of the residents in the building, we again stress the need for your cooperation. Please do not allow anyone you do not know to enter the building.

In addition, whenever you are ordering food or beverages, please arrange to meet the vendors at the front door so they do not have access to roam throughout the building. No delivery people are permitted to go directly to the apartments.

If you encounter any problem with someone requesting entry, ask them to obtain permission by dialing maintenance or 01 on the entry system.

B. The Units and Common Elements (including Limited Common Elements) shall be used only for the purposes set forth in the Declaration and By-laws.

C. Only members of owners or renters family shall occupy the unit in the absence of occupant.

D. The sidewalks and entrances shall be used only for access to and from the Units and those portions of the Common Elements intended for the use of Unit Owners, and shall not be obstructed. No lingering, rowdy behavior or loud conversations in common areas.

E. All personal property shall be stored within the units or in an assigned locker.

F. Nothing shall be hung, projected or shaken, and no dirt or other substance shall be thrown, swept or otherwise emitted from the windows or roof-top patio of the Building. Nothing shall be placed on, in or projected from the doors, or door frames, which would cause any premanent damage (other than interior doors entirely within a Unit). Nothing shall be placed on, in or projected from the windows or window sills, including without limitation awnings, clotheslines, aerals, or signs. Window air conditioners and fans are allowed. Only white shades, blinds, drapes, or linings thereof, shall be permitted which may be visible from the exterior of the building.

G. Nothing shall be done, including without limitation cooking, working, causing vibration or odors which shall unreasonably disturb or interfere with the rights, comfort or convenience of other occupants of the Building. Eighty percent of each room's flooring shall be covered. No cooking of any type (e.g., open fires, charcoal grills) shall be permitted in the common areas.

H. All radio, television, phonographic, audio or other electrical equipment of any kind, and all appliances installed or used in a Unit shall comply with all rules, requirements, regulations and recommendations of all public authorities and boards of fire underwriters having jurisdiction.

I. Employees of the Association or Management Agent shall not be sent off the condominium premises by any Unit Owner for any purpose or directed to perform any function other than those for which they are employed.

J. Sinks and toilets shall not be used for any purpose other than that for which designed.

K. Garbage and refuse shall be deposited only in the containers specified by the Board and only at such times and in such manner as the Board or its agent shall direct. Recyclables should be placed in appropriate containers.

L. The Board shall have the right to retain a passkey to each Unit in order to have emergency access to the Unit. The Management Company will telephone unit owner and leave a note upon entering.

M. No bicycles, cleaning equipment or large items are permitted to enter the building through the front entrance. Bicycles may only be brought in and out of the building through either of the two basement doors. Bicycles are not permitted on the passenger elevator.

N. Water shall not be used in unnecessary or unreasonable quantities and the Unit Owner causing such use shall be liable for the cost of the amount used.

O. No Unit Owner shall keep any explosive or flammable material or substance in his Unit, except ordinary household products.

P. Damage to any portion of the Property caused by minor children of the Unit Owners or by guests, invitees, visitors or licensees of the Unit Owners shall be repaired at the expense of the responsible Unit Owners.

Q. No Unit Owner shall make, or permit his family, visitors, or licensees to make, any noise or activity that will interfere with the rights, comfort, or convenience of other Unit Owners including, but not limited to, playing a musical instrument, phonograph, television or radio.

R. No radio or television antenna shall be erected or installed on the exterior walls of a Unit or on the Common Elements, including the roof.

S. These Rules and Regulation are adopted pursuant to the Declaration of Condominium and By-Laws and may be enforced in accordance with those documents.

T. The Board reserves the right to amend these Rules and Regulations as may be required from time to time.

U. Lock-outs will be provided only during the hours from 9:00 a.m. to 3:00 p.m. week days thru the maintenance office.



V. No signs are to be posted anywhere in the building. The Board has the exclusive right to post signs. For Sale or other notices can be left in the maintenance office and will be approved before being posted on the Bulletin Board.

W. Unit owners may attend Board meetings by contacting the Board President or Management Company with their request. They will then be scheduled on the upcoming agenda.

X. Tenants may not attend Board meetings.

## I. PLUMBING LEAKS

The Highwood is responsible for any and all repairs to the water supply and to the sewage discharge pipes throughout the building unless due to the negligence of a resident. The Unit Owner is responsible for all repairs to the water supply and to the sewage discharge pipes that can be touched without going through the walls. In other words, on the side of the walls which can be touched when inside the Unit and this includes all faucets and shut off valves to every fixture.

A. The owner of any Unit damaged from a leak from Highwood plumbing is responsible for any and all "decorating" due from a leak. The Highwood is responsible for repairing all plaster and any other structural parts of the building.

B. When a leak has been caused by the negligence of an owner above; normally, that Unit Owner would be fully responsible for making the damaged owner whole. This would include any "decorating". However, this is not always the case and the quantity and quality of insurance carried by the parties can affect the outcome in major ways.

C. When a Unit is damaged from a water leak, all parties affected must file a claim with their insurance agents or companies for settlement determination.

D. The determination by the insurance company is to be turned over to management.

E. The building will pay a maximum of \$100 of any deductible involved.

## II. PARKING

No occupant of the Buildings or Visitors shall park any commercial vehicle, trailer, or boat in any area or abandon any automobile or other vehicle in any parking area or other part of the Common Elements or block the access to parking spaces other than those assigned to the occupant. Please notify your visitors that parking spaces are owner or tenant occupied and not to park there.

A. Traffic regulations adopted by Board shall be strictly obeyed by the Unit Owners, their agents, servants and employees, as well as by members of their families, guest, visitors, licensees and invitees.

## III. PETS

No animals of any kind shall be raised, bred or kept in the Condominium except for cats living in the building as of March 19, 1996.

*Revised 4/18/04 to permit up to two (2) house cats per apt.  
See Resolution attached for full details.*

#### IV. ROOF-TOP PATIO

No cooking shall be permitted at any time.

A. Hours and days of use may be regulated by resolution of the Board.

B. Personal furniture and other property left on the patio will be left at the owner's risk.

D. Reservations for roof-top parties must be made through the Management Company. A \$50.00 deposit will be paid to the Management Company upon reservation, which will be returned if no damage is done and all trash is cleaned up.

#### V. MOVE-INS AND MOVE-OUTS

All residents moving in or moving out should notify the Building Management supervisor as soon as dates and times are scheduled.

B. All moves should be scheduled to begin as close as possible to 8:00 a.m. and be completed if possible by 4:00 p.m. or is when building staff and services are available. Any move-ins or move-outs occurring on a Saturday, Sunday or holiday must be scheduled with the Management Company. These moves will be subject to a charge of \$25.00 in cash to cover staff salary after hours.

#### VI. DUE PROCESS

If any owner or their lessee/tenant shall willfully violate any of the provisions of the Code of Regulations or Rules and Regulations, the Board may provide a written notice to cease such violation. Upon failure to comply with the terms of the notice, the Board may levy a reasonable fine beginning on the sixth (6) day of the notice and continuing until such time as compliance occurs with the section of the Code of Regulations or Rules and Regulations violated. Any fine levied hereunder shall constitute a lien against the owner's unit as provided in Section 3315 of the Act. The daily fine may not exceed 1/12th of the annual assessment. Any such lien against a Condominium Unit shall be subordinate to any recorded first mortgage.

A. All alleged violation of the Rules and Regulation must be in writing and must include the following:

1. the nature of the violation;
2. the date and approximate time of the violation;
3. the approximate location of the violation;
4. the name and/or Unit address of the offending party;
5. the name and Unit address of the person reporting the violation;
6. a statement that the person actually observed the violation; and
7. any other information that may aid the Executive Board (Board) in resolving the violation.

B. Upon receipt of two (2) notices or letters containing the required information in the Section above, the Board shall authorize the mailing of a warning letter describing the violation, demanding that any such violation cease, and, if appropriate, that any common areas damaged by the violation be restored.

C. If the violating party does not comply with the warning letter, or, if the violation endangers residents, Common Elements or, in any case, if the Board determines that a warning letter would be effective, then the Board or its authorized representative will send a written notice to the offending party stating the following:

0. A description of the nature, time and place and the violation.
1. A demand that the violation cease and that any damage to the Common Elements be restored.
2. A statement that, if the violation does not cease within ten (10) days of the date of the letter, that a fine in the amount of \$50.00 shall be imposed upon the offending party.
3. A statement that if the offender wishes to appeal such fine, he must contact the Board in writing, within ten (10) days from the date of the letter, requesting, requesting a hearing at the next Board meeting.
4. A warning that, if the violation is of a "continuing" nature, and continues past such ten (10) day period, then an additional \$50.00 fine will be imposed on the eleventh (11th) day, and fines of \$10.00 per day thereafter will be imposed, until the violation has been cured, or, if the violation is of a "reoccurring" nature and constitutes a specific incidence or occurrence as opposed to a continuing condition, a warning that, if the violation occurs again, that an additional \$50.00 fine will be imposed for each time the violation occurs.
5. That the damage caused by any violation will be assessed against the offending party, and that attorneys' fees may be assessed.

D. In the event the offending party requests a hearing before the Board, the Board will stay the imposition of any fine until the Board disposes of the case; however, the fine will be reinstated in the full amount which would have accrued since the date of the initial imposition of the fine in the event the Board determines that the violation did, in fact, occur.

E. At such time as the level of fines against the offending party reaches \$500.00, and has not been paid and/or the violation is continuing, the case will be turned over to the attorney for the Condominium Association for collection and/or to procure a court order to enforce the Rule and Regulation.

F. If the violation has ceased, but the fine has not been paid within thirty (30) days of imposition, regardless of amount, the case will be turned over to the attorney for the Condominium Association for collection.

G. If there is any damage to Common Elements, the damage will be assessed against the offending party. The (10) days before the Board assesses such cost, the Board shall notify the offending party in writing stating the amount of such cost and the violation which caused the damage. The offending party will have thirty (30) days from the date of such notice to appeal to the Board and request a hearing at the next Board meeting.

H. If, at any hearing the Board rules in favor of the Unit Owner/Resident, the occurrence shall be removed from the file and not be held, in the future, as a violation under this policy and all fines will be waived.

J. Any problems with tenants will be referred to unit owners. If tenants refuse to correct the problem, the Board has the right to take appropriate action.

SENATE BILL 65  
THE UNIFORM CONDOMINIUM ACT OF 1980

Section 3407. Resales of units.

(a) Information supplied by unit owner.--In the event of a resale of a unit by a unit owner other than a Declarant, the unit owner shall furnish to a purchaser before execution of any contract for sale of a unit, or otherwise before conveyance, a copy of the declaration (other than the plats and plans), the by-laws, the rules or regulations of the association and a certificate containing:

(1) A statement disclosing the effect on the proposed disposition of any right of first refusal or other restraint on the free alienability of the unit.

(2) A statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner.

(3) A statement of any other fees payable by unit owners.

(4) A statement of any capital expenditures proposed by the association for the current and two next succeeding fiscal years.

(5) A statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the association for any specified project.

(6) The most recent regularly prepared balance sheet and income and expense statement, if any, of the association.

(7) The current operating budget of the association.

(8) A statement of any judgments against the association and the status of any pending suits to which the association is a party.

(9) A statement describing any insurance coverage provided for the benefit of unit owners.

(10) A statement as to whether the executive board has knowledge that any alterations or improvements to the unit or to the limited common elements assigned thereto violate any provision of the declaration.

(11) A statement as to whether the executive board has knowledge of any violations of the health or building codes with respect to the unit, the limited common elements assigned thereto or any other portion of the condominium.

(12) A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal thereof.

(b) Information supplied by association.--The association, within ten days after a request by a unit owner, shall furnish a certificate containing the information necessary to enable the unit owner to comply with this section. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate.

(c) Liability for error or inaction by association.--A purchaser is not liable for any unpaid assessment or fee greater than the amount set forth in the certificate prepared by the association. A unit owner is not liable to a purchaser for the failure or delay of the association to provide the certificate in a timely manner but the purchase contract is voidable by the purchaser until the certificate has been provided and for five days thereafter or until conveyance, whichever first occurs.

Highwood Condominium Association

Board Resolution

On this 14<sup>th</sup> day of October 2003 the Highwood Condominium Association Board of Directors took the following security action:

- 1) Because too many building keys were being misplaced/lost or given to former boyfriends, former girlfriends, previous domestic workers and/or medical assistants, co-workers who work with residents in local businesses and want to come and go in and out of the building whenever they want and former tenants who have since moved from the building without returning all of the building security keys that were given to them by the landlord, the Board decided to place a limit on the number of non-duplicable keys that will be issued to residents. **Effective immediately, ONLY one (1) common element building key will be issued to each full time/registered resident of a Highwood apartment.** Only the Board of Directors can grant exceptions to this policy and such exceptions will not be automatically or easily granted. To the contrary, every effort will be made to minimize the number of building keys that get issued with Board approval. In the absence of an extremely compelling hardship, the Board is expected to deny a request for additional building keys. Moreover, if a second or third key is given to a resident or unit owner on a permanent or temporary basis, if that key is not returned to the Board when the Board requests the return of that key, that homeowner will be assessed the cost of rekeying the building (including new locks, keys and the labor associated with that installation and distribution).
- 2) A full time/registered resident is defined as ONLY a spouse, parent or grandparent or significant other who uses a Highwood apartment as his/her *primary residence* (i.e. a *primary residence* is the address used on the resident's driver's license and voter's registration), or an absentee unit owner who serves on the Board of Directors and may need to make unscheduled inspections of the building in his/her capacity as a Board Member. Note: A roommate is not automatically considered a significant other as defined by Pennsylvania law.

While it is understood that some residents/unit owners will be inconvenienced by this policy/resolution, the Board considers this the above action plan reasonable and necessary, deciding that the safety and security of the building residents and protection of the common element property must be treated as a higher priority than the personal convenience of some residents/unit owners.

Approved by the Highwood Board of Directors

# **Highwood Condominium Association,**

## SOP: Handling resident Vs resident disputes

Living in close proximity to one another has advantages and disadvantages. One of the most frequently heard complaint about living in close proximity to other Highwood residents involves allegations of excessive/unreasonable noise transmission from a neighboring home or neighboring resident. The noise could be from an excessively loud argument by neighboring residents, or from an inconsiderate neighbor who plays the television or stereo at an excessive volume, or someone playing a musical instrument late at night, or excessive/unreasonable noise transmission due to inadequate floor covering, or noise from the use of a vacuum cleaner or similar equipment in a neighboring apartment, or from someone slamming doors or from any other source of noise.

The policy/SOP in place at this Association is to have the parties FIRST address the matter person-to-person. That is to say that the person being disturbed (the complaining party) should first make the other party aware of the complaint and ask that the alleged disturbing behavior/nose transmission be abated/corrected. The expectation here is that once the alleged offending party understands the complaint, the matter will be resolved at that level.

If the complaint is not satisfactorily resolved at this person-to-person level, the complaining party will be asked to submit to the management office a written complaint detailing the facts that explain and support the underlying complaint. (The management company is Arnheim & Neely Inc.; located at 425 N. Craig St./ Suite 100 Pittsburgh, PA 15213 or you can fax that written complaint to 412-316-0090). After the person-to-person meeting has not brought about the desired results, within five (5) days of Agent receiving a written complaint from the complaining party, on behalf of the Board of Directors, that written complaint will be forward to the alleged offending party. (If the alleged offending party is a Tenant as opposed to the Owner of that condo unit, a copy of the written complaint will also be sent to the Deeded Owner of Record of that apartment. In order to reasonably investigate the complaint, the Board, or management agent, will inquire of other nearby residents if they are aware of the complaint and whether or not they have any collaborating or supporting evidence or knowledge about the dispute. (The Association does not have a rules enforcement policeman to stay-up at night or to visit the property after hours to listen for late night noise transmission or to observe the behavior of a building resident. Accordingly, supporting evidence must come from witnesses who come forward or witnesses who are brought forward by the complaining party, or by the Board or by the management Agent.)

If the complaint is not resolved after the parties met person-to-person, and no resolution after the Board formally made the alleged offending party aware of the complaint, and assuming that the Board or management concluded that there appears to be enough evidence to hold a due process hearing, the Board will schedule a rules enforcement/due process hearing with the parties. Typically within fourteen (14) days of

receiving the written complaint and after conducting a reasonable investigation of that complaint, the Board of Directors will assemble an impartial hearing panel of 3 to 5 homeowners in the complex (or the hearing panel will be 3 to 5 members of the Board of Directors) to hear the dispute. If the hearing panel is a peer group of owners other than the Board, the panel will report its findings and make a RECOMMENDATION to the Board. The Board, who has the final authority to resolve all Association and neighbor-to-neighbor disputes, may accept or reject the findings and recommendations of the due process (peer) hearing panel.

At a due process/rules infraction hearing, each party to the dispute, and their witnesses, if any, will be given the opportunity to present appropriate evidence in support of their respective positions to the hearing officers. All parties to the dispute are permitted to be represented by legal counsel at this due process hearing. After each party presents his/her testimony, he/she is subject to rebuttal questioning and cross-examination. The hearing panel has a right to reasonably limit the time that each person has to present their case. Generally speaking a ten (10) minute time limit per person is considered adequate and reasonable. However, the hearing panel has the right to reduce or extend this average time limit based on the number of people who testify, the amount of discussion that takes place and the amount of information that the hearing panel deems necessary to help them fully understand the complaint and/or the defense testimony relative to the underlying complaint. When, in the opinion of a majority of the hearing panel, there is no "new" evidence being presented, or if the proceedings get out of control, the hearing panel has the right to reduce the time limit given to any speaker or to stop that proceeding.

Some of the issues that will be weighed by the due process hearing panel include the following:

- 1) Did the offending party admit guilt in the matter but still failed to correct the disruptive/offending behavior?
- 2) Is the noise that serves as the basis of the complaint actually excessive/unreasonable, or is it noise that is typical in high-rise apartment living, or typical of noise transmission that is common in this building?
- 3) Did the parties attempt to resolve this matter on their own before seeking Board intervention?
- 4) Is there any independent corroborating evidence presented or obtained through a reasonable investigation of the complaint to support the allegations of willful, intentional or recurring excessive/unreasonable noise emanating from this particular resident's home?
- 5) Have any other residents in the building made similar complaints against this alleged offending resident?
- 6) Have there been any Police reports filed against the alleged offending resident by anyone for alleged disturbance of the peace at this building?
- 7) Has there been a District Court complaint filed against the alleged offending resident by anyone for alleged disturbance of the peace at this building?
- 8) Is this a one (1) time only complaint or a complaint about recurring problems against the alleged offending party?

Once notice is served on the parties to announce the scheduling of a due process hearing date and time, that hearing will take place whether or not the parties and/or their witnesses are present. A decision of the hearing panel can be made on the basis of the evidence gathered with or without the testimony or presence of either or both of the feuding parties. Since Board members and other building residents who may serve on the peer-hearing panel serve as volunteers and some may work outside the building, the hearing will be scheduled at their convenience, usually in the evening or on a Saturday.

If the Board decides in favor of the complaining party, the Board has the right to impose progressive per diem fines against the offending party, seek the eviction of that Tenant (if the offending party is a Tenant rather than a unit owner), and take any other legally permissible remedy that may be available.

At any time during this process, and when appropriate to do so, the offended (complaining) party has the right to report the matter to the Pittsburgh Police if the complaint involves alleged excessive/unreasonable noise or an allegation of offensive and disturbing or improper/illegal behavior, disturbance of the peace or similar complaint against that neighbor. Likewise, the complaining party has a right to file a complaint with the local District Court, against the alleged offending party, for Disturbance of the Peace or any other wrongdoing alleged by the complaining party. Nothing in this SOP is intended to deny either party the right to address/resolve their dispute through Civil or Criminal proceedings outside of the internal forum available/described herein through the condominium Association.

**If a complaint involves an alleged criminal wrongdoing, such as the use or sale of illegal drugs in the building, prostitution committed on the premises, a threat of bodily harm made against someone in the building, an allegation of child abuse an allegation of assault or battery, rape, burglary, robbery, breaking and entering or any other allegation of criminal wrongdoing by a building resident or guest, such matter(s) MUST always be immediately reported to the Police, FBI, ATF or appropriate enforcement authority.**



## Resolution of the Board

Since this building was first converted to a condominium form of ownership, our house rules went from prohibiting all pets, to allowing "neighborly friendly" pets, to permitting only cats (up to two (2) cats per family), to restricting all pets again but grandfathering pets that were already in the building as of March 19, 1996 and prohibiting any new pet.

Now, because we realize that many of our unit owners/residents enjoy the company and companionship of a cat (or two), and

Because we have learned from several real estate agents that potential buyers often want to have a cat (or two) and look elsewhere when the Highwood doesn't welcome families with a cat, and

Because we learned from Arnheim & Neely that many of their managed condo/co-op buildings permit a cat (or two) while prohibiting dogs, reptiles, birds and other nuisance type pets, and

Because we reviewed this matter with legal counsel in advance of taking this action, and

Because we discussed this matter at the unit owner meeting of February 17, 2004 and received a strong favorable opinion on allowing up to (2) two cats per family (there was one (1) objection to the proposal),

**WE THEREFORE RESOLVE THAT effective immediately, the Pet Policy at the Highwood Condominium Association will be modified to read as follows:**

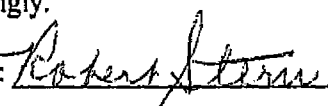
Each Highwood resident is entitled to house up to two (2) domestic house cats (including visiting cats) with the following caveats (while continuing to prohibit dogs, reptiles, birds and any other type of pet):

- 1) The cat(s) must be kept inside the apartment at all times. No cat is permitted to roam the corridor, lobby or elsewhere in the common elements of the building AND THE CAT(S) MUST BE CARRIED WHEN BEING TRANSPORTED IN OR OUT OF THE BUILDING.
- 2) The resident who houses one or two cats (including any visiting cats) must take all necessary precautions to prevent against the transmission of unpleasant/offensive odors or unsanitary conditions in the apartment.
- 3) In the event the cat(s) is/are determined to be disruptive to the neighbors, found roaming in the corridors, lobby, laundry room or other common elements of the building, or if the cat(s) create an unpleasant/offensive odor, as determined by the Board of Directors whose judgment and decision in all such matters shall be final and binding, after issuing ONE (1) warning to the responsible apartment resident and unit owner, the resident may be directed and required by the Board to have the cat (or cats) removed from the premises (including any visiting cat(s)) within seven (7) days of the Board issuing such a removal order.

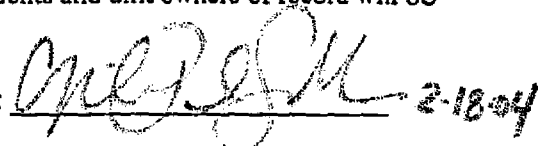
Failure to remove a cat (or cats) when directed to do so by the Board may result in a per diem fine assessed against the offending unit owner. (NOTE: the unit owner is always responsible for the conduct of his/her/their tenant, including when the tenant is the cat owner (or when the tenant is caring for a visiting cat.) A fine of up to \$50 per day and other sanctions could be imposed by the Board, and all court costs and Attorney fees as may be necessary to enforce responsible ownership and care of any cat(s) permanently or temporarily housed in the Highwood (including visiting cats) will be assessed against the unit owner.

This Resolution was adopted by the unanimous vote/approval of all five (5) Highwood Condominium Association Board Members on February 17, 2004. All residents and unit owners of record will be advised accordingly.

Board President:

  
2-18-04

Assist. Sec.:

  
2-18-04

## **Resolution of the Highwood Condominium Assoc. Board of Directors**

Because of security concerns associated with non-residents having unrestricted access to the Highwood when they are buzzed-in by a resident, or when a caller follows another resident into the building, the Association Board has adopted a number of "good neighbor" policies to restrict access into the Highwood building. After reasonable investigation, we believe that the following access restrictions are reasonable and effective as well as common in the local condo community. Our goal, of course, is to make every reasonable effort to keep solicitors and unknown people from entering our building, with our specific purpose being to provide a reasonable level of security for all Highwood residents.

- 1) Never give the building key to domestic workers or other non-residents of the building. (In the event that we ever have an intercom entry code, never give-out that code number to anyone other than a building resident.)
- 2) Never buzz-in any caller whom you do not know of whom you are not expecting.
- 3) When there is a small package (or food) delivery for you, meet that delivery person in the lobby; don't allow that person to come to your door giving him/her/them unrestricted access through the entire building. We had a problem with someone breaking into storage lockers a few years ago and found that the person was a Newspaper delivery person who, every day, was given unrestricted access to your building. (Remember, you have no idea where a delivery person might go in the building after you buzzed him/her/them into the building.) Some popular "rouses" known to "trick" unsuspecting residents to buzz-in vendors and contractors include the following scenarios: - the caller says that he is here to read the gas meter (and the gas will be shut-off until he can get access to read the meter), or the caller may say that he/she is checking with you to see if you cable TV is working because he/she is servicing other apartments in the building where TV problems have been reported (but he/she accidentally got locked out of the building and then asks that you buzz him/her in), or the caller says that she is here to check on Mrs. Jones (or any name taken from the intercom directory) - she has the key to Mrs. Jones's apartment but can't get into the building, etc., etc. Again, if you don't know the caller or if you are not expecting the caller, don't buzz that caller into the building.
- 4) If anyone that you do not know follows you into the building, please ask them to call the party they are visiting and have that party "buzz them in". If they refuse, please call the Police (911) because you have no idea who that intruder might be or what purpose/reason he has for being in the building.
- 5) Never prop open an outside/locked door (or unlock the door or do anything to render the automatic door lock inoperative), even temporarily, because a mugger, rapist, burglar, arsonist, etc. could gain unauthorized access into the building.
- 6) No public Open House (for sale or for rent marketing) is permitted in the Highwood.
- 7) No furniture or estate sales are permitted in the Highwood.
- 8) No business may be conducted out of the Highwood that could welcome customers/clients to regularly access the building (and be able to roam the building with impunity). For example, if we had a Highwood resident who works as a private counselor or as a social worker, or someone who works with troubled teens, or someone who works with drug addicts (not in recovery) or someone who works as a probation officer or someone who serves as a volunteer coach to help people with aggressive behavior problems, etc., we do not want these "customers/clients" to have unrestricted access throughout our building.

In establishing these security efforts (including building access restrictions) we are also mindful of how another local condominium (as well as Arnheim & Neely Inc. (the management agent) and a local Real Estate brokerage firm that held an Open House to market the unit that they had

listed for sale (and the real estate marketing company provided one attendant at the front door and another agent greeted callers in the home that was being shown to prospective buyers during that Open House) was the subject of a lawsuit filed by a unit owner who was mugged, raped and burglarized by one of the "open house" attendees. The Defendants paid significant punitive damages to the Plaintiff in this case because the "mugging, rape and burglary" were, according to the court, foreseeable and avoidable.

While we appreciate the fact that these security measures and access restrictions may, from time-to-time impose a temporary hardship on one or more families, we believe that such actions are necessary, prudent and in the best interest of a majority of the Highwood Condominium Association unit owners and residents. And, such actions/restrictions are consistent with the practices observed at other local condo buildings. Accordingly, representing a majority vote of the Highwood Board of Directors, the undersigned Board members formally adopt this restatement of the security efforts and restricted access standards for the Highwood Condominium Association.

Restated and adopted this 16<sup>th</sup> day of Sept. 2004 with an immediate effective date.

Adopted by:

Robert Stern  
Highwood Condominium Assoc. Board President

[Signature]  
Highwood Condominium Assoc. Secretary/Assistant Secretary

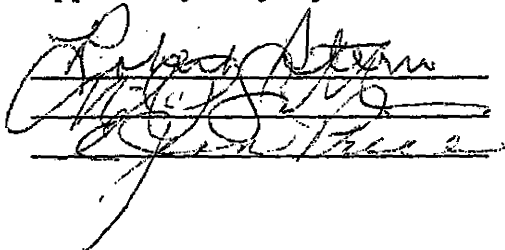
**Resolution of the Highwood Condominium Association Board of Directors**

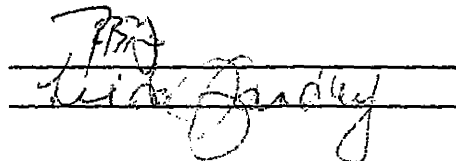
WHEREAS the Highwood Condominium Association Board of Directors wishes to establish controls over what kind of notices and/or non-commercial advertisements can be placed on the bulletin boards (or in any other approved common elements of the building), and how long that notice/non-commercial advertisement can remain on the bulletin Board or posted in any other common element of the building, the Board has adopted the following standards/protocol:

- 1) No notice or advertisement of any kind may be placed in any window or on the door of any Highwood home, nor may such notice or advertisement be placed on any part of the common elements of the property.
- 2) Any request for the placement of a notice or non-commercial advertisement on the lobby/mailroom or basement corridor bulletin board (or anywhere else on common element space in or on association property) must first be approved in writing by the Board. The Board reserves the right to remove any notice/advertisement that was not specifically approved by the Board.
- 3) No commercial advertisement/notice may be posted anywhere in or on the common element property of the association, including but not limited to on the lobby/mailroom or basement corridor bulletin boards.
- 4) Generally speaking, any notice or non-commercial advertisement authorized to be placed on the bulletin board(s) will be displayed for no more than ten (10) consecutive days nor may such notices or non-commercial advertisements be displayed more than two times (or a total of twenty (20) days) in any one calendar year.
- 5) The Board reserves the right to reject any notice or non-commercial advertisement that is considered to be in poor taste or, in the sole judgment and determination of the Board, a notice or non-commercial advertisement that is not in the best interest of the condo association as a whole.
- 6) Any violation of this police will be subject to the Board of Directors imposing a fine of not more than \$100 per day for the first offense up to seven (7) days in total, and a fine of not more than \$250 per day for the second offense by the same resident/unit owner beyond the initial seven day first-offense period. For three or more offenses, the Board will turn the matter over to legal counsel and/or the court system for prosecution (i.e. for example, but not limited to, a charge or defacing private property).

RESOLVED this 2nd day of Feb, 2005 with an effective date of 2/15/05, the Highwood Condominium Association Board of Directors adopted this policy and resolution with the same intended to govern the posting of notices and/or advertisements anywhere on or within this condominium.

Approved by a majority of the Board of Directors with no dissention:

  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
\_\_\_\_\_

Resolution of the Highwood Condominium Association Board of Directors

WHEREAS the Highwood Condominium Association Board of Directors wishes to establish controls over how allegations of water damage claims are handled at this Association, the Board has adopted the following standards/protocol:

- 1) When a resident calls to report a water damage claim in their home, if an active leak is observed, the Association will immediately investigate the source of that leak. If the leak is found to be due to a common element defect, the Association will pay to repair that leak and repair any plaster damage inside any affected home. Unless negligence has been established against the condo Association the Association will not pay to repaint, wallcover, clean or replace carpets or damaged hardwood floors or any damage to personal property inside the home.
- 2) If the source of the leak is determined to be from another unit owner (i.e. an upstairs neighbor), that upstairs neighbor must repair the cause of the leak and any consequential damage would be decided among the parties. In the absence of negligence on the part of the upstairs neighbor, each owner would be responsible for repairing the damage to his or her own homes. If there was negligence on the part of the upstairs neighbor, that neighbor should pay to repair the damage to the downstairs neighbor or the two parties should have the matter resolved (perhaps subrogated) through their respective insurance underwriters.
- 3) If, at the request of a resident, the Association spends money to investigate a leak and subsequently determines that the leak source does not involve a common element defect, the cost of that investigation will be assessed against the complaining party (who had a duty to reasonably investigate the matter initially by calling all neighbors who live above the damaged unit).
- 4) To generally quantify or estimate the potential costs if/when a leak investigation service call is made, weekday calls (with the investigative and/or repair work being completed between the hours of 9:00AM and 4:00PM) will be arranged at a not to exceed cost of \$60 per hour. Any after hour, weekend or holiday call for a leak investigation and/or repair work will be arranged at a not to exceed cost of \$120 per hour.

RESOLVED this 2nd day of Feb, 2005 with an effective date of 2/10/05, the Highwood Condominium Association Board of Directors adopted this policy and resolution with the same intended to govern how water damage claims are investigated and handled at this Association.

Approved by a majority of the Board of Directors with no dissention:

[Signature]                      [Signature]  
[Signature]                      [Signature]  
[Signature]                      [Signature]

# The Highwood Condominium Association

January 23 2003

To: All Highwood Unit Owners of Record and Tenants

From: The Highwood Condominium Board of Directors

While the Association has established reasonable "good neighbor" standards of conduct called House Rules/Rules and Regulations, the Board receives recurring complaints from residents who allegedly refuse to cooperate or abide by those standards. We frequently receive complaints that one neighbor or another is not abiding by the "good neighbor" standards expected by another unit owner or resident. To more effectively address these complaints, the Board has determined a need for Rules Enforcement procedures that fairly, promptly and effectively addresses alleged wrongdoing by another Highwood unit owner or resident. As a common ownership community, we have a duty to attempt to be self-governed without the Board being "dictatorial". Therefore, the Association's Rules and Regulations have been revised to include very specific and comprehensive protocol that allow all "affected" parties to be heard by an impartial body. In most instances, other than when a *material* offense has been witnessed by a Board member or by a member of the management team, the within stated Rules Enforcement procedures assure the party filing the complaint that there is a venue available for them to be heard, and the alleged offending party will have an opportunity to defend against the charge(s). A disinterested peer review hearing body will be impaneled to hear all such disputes.

**Nothing in these procedures is intended to preclude an individual unit owner or resident from pursuing Civil or Criminal Court remedies to address an egregious wrongdoing.**

Please keep the enclosed Rules Enforcement Procedures with your set of condo documents.

Thank you.

On this 28 day of JANUARY, 2004, the Board of Directors of this Association adopted the following Resolution to address concerns regarding home inspector reports (or Buyer or Seller service requests to accommodate a sale) involving common element property maintenance, repair or replacement.

Consistent with the governing standards defined by the Association documents and the underlying controlling Statute, this Association Board will decide the priority and timing of if/when when common element repairs, replacements and upgrades will take place at the expense of the Association. The Association Board will not spend Association money to immediately satisfy the demands or expectations of a Seller, potential Buyer or home inspector, but such request(s) will be treated in the same manner and with the same priority that all other like kind service requests are handled. Whenever practical to do so, and without putting the Association at risk, and without altering the style, color or uniformity of the common element property, the Board will consider allowing individual homeowners/sellers to, at their own expense, make modest (usually cosmetic) repairs to some common elements of the property in the immediate area of the home being sold in order to improve/enhance the property's curb appeal or resale value. Such modest repairs must always be first approved by the Board or management, even when the common element repairs are being done at a specific homeowners expense.

Because of the likelihood that common element repair requests will be raised from time to time at this Association (because more and more homebuyers or home sellers use home inspection firms), this Resolution has been adopted with an immediate effective date to establish a standard and uniform procedure to address Buyer, Seller or home inspector expectations regarding maintenance and repair of common element property.

This Resolution is adopted the date shown above, as witnessed the signature of Association President and Assistant Secretary:

Robert Stern  
[Signature] 1/28/04

## Highwood Condominium Association

Because of the frequency of after hour lock out calls, the Board must reiterate and formalize their policy on such matters. Residents are encouraged to leave a spare key with a trusted friend, neighbor or relative. The Association does NOT provide after hour lock out service. If you are locked out of your home and Paul is in the building, he can certainly be asked to admit you into your home (assuming that he has a key to your home). But anytime that Paul is not in the building (i.e. for any reason, including but not limited to after normal work hours, on weekends, on holidays, or when he is on vacation or when he is off sick or making deliveries or picking up supplies, or when tied-up on other matters, etc.) Paul will NOT be summoned back to the building to access anyone into his or her home.

If you accidentally lock yourself out of your home and have not provided a trusted friend, relative or neighbor with a key to your home for such an emergency, you will need to call a locksmith. Several local locksmiths operate 24/7/365 days a year, including local favorites such as, but not limited to: Ace Lock and Key, Pittsburgh/USA Lock, Safemasters, Budget Locksmith Safe & Door Co., 1-800-UNLOCK and Bonded Locksmith and Door Co. all of whom service this area.

This Resolution is adopted by the Highwood Condominium Association Board of Directors on this 9th day of Sept 2005 with an immediate effective date and will be distributed to all current owners of record and tenants as well as to all future owners (who are responsible for providing this information to their Tenants, if the home is used as a rental apartment).

Robert Stern                      John Price  
Leo Daidler                      Joe B. Kelly  
Michael S. Kelly

In the event that the building superintendent does come back to the building to admit a locked out resident, there will be a MINIMUM fee of \$75 for call back (adjusted annually for inflation after the 2005 base year).



# Highwood Condominium Association

## Quick highlights of some of the more important Association Rules

While no one wants to be policed in his/her own home, the fact that we live in a shared ownership building in such close proximity to one another the Highwood Board and/or unit owners have adopted a number of operating standards intended to minimally control the behavior that we can expect from one another as co-owners and residents. Every unit owner and Tenant is required to conduct themselves (and their guests, invitees, contractors, etc.) in a *mature, respectful and responsible* manner so that our actions (or inactions) do not unreasonably offend or disturb other residents. And, our behavior, action(s) or inaction(s) must never put other residents at unreasonable or unnecessary risk. Here are some of those community living standards at the Highwood:

### Security issues:

No move-in or move-out is permitted through the front doors. No contractors should be moving equipment in or out of the front door. Moves and contractors should use either of the two basement doors (Highland Avenue door or the door off the parking lot), and anytime that the door is propped open there **MUST** be an adult attendant posted at that door who is capable of prohibiting access into the building by anyone who does not have a key to that door. Failure to abide by this important security standard could result in the imposition of a progressive fine. The first security offense would be \$300, and the second offense would be \$700. *Unit owners are ultimately responsible for the conduct of their Tenants and ultimately responsible for any fines that go unpaid by their Tenant.* Never admit anyone into the building that you do not know or that you are not expecting.

### Move-in/move-out restrictions:

In addition to the security issues referenced above, all move-ins and move-outs *must be scheduled with the building office and confirmed at least forty-eight (48) hours in advance.* If there is another move already scheduled when you want to move, you will be asked to reschedule the move for another day since we can have only one move per day at the building and because we have only one (1) freight elevator in the building. *Under no circumstances may the new passenger elevator be used to transport any equipment, building/construction supplies, cabinetry, furniture or similar bulky material.* If the freight elevator is temporarily out of service such material/supplies/equipment/furniture must be moved via the nearest fire stairwell. Use of the passenger elevator to transport any type of furniture, construction material, etc. is prohibited and substantial and progressive fines will be levied by the Association Board for any violation of this rule.

Because the elevators are more heavily used on the weekends and holidays, and because residents frequently entertain guests on the weekends or holidays, *no moves are permitted over the weekends or on holidays.*

The cost of hauling away any excessive trash that overflows our dumpsters (or any trash that is not covered by the association's hauling agreement), together with a minimum service fee of \$100, must be paid by the party responsible for the extra cost. Accordingly, you are urged to make appropriate arrangements to dispose of unwanted furniture, appliances, packing material/boxes, construction debris, etc. and **NOT** leave that material for your neighbors to dispose of.

**Reasonable peace and quiet:**

At the Highwood we have *quiet hours* from 11:00PM until 7:00AM during which time each resident is expected to go about their business in a reasonably quiet manner. There should be no partying, no loud playing of music/TV's, stereos, etc. during these hours. This is not the time to be vacuuming, slamming doors, drilling, cutting wood, hanging pictures or any other non-emergency activities that would likely disturb one or more of your neighbors.

**Sun deck:**

In season, the sun deck may be rented for private parties. Reservations must be made and approved with the building office before any private party may be held on the sun deck. *Because of Fire Regulations no cooking is permitted on the deck.* No one other than authorized contractors is permitted to access the roof beyond the sun deck.


Whether it's a private party or just a few residents gathering on the roof deck, sun deck users are expected to be appropriately dressed, remember that there are people living directly under the deck and in the immediate area of the building - so you must keep noise to a minimum and observe the deck closing hour of Midnight. When the deck is reserved, non-invited residents from the building are asked to not interfere with that private party. If there is any damage to the building common areas or deck, the person who reserved the deck would be responsible for the cost of repairing that damage.

**Hard surface flooring:**

Hard surface flooring is prohibited at the Highwood because of noise transmission problems associated with such flooring (disturbing noise transmission sometimes occurs when you walk on hard surface flooring, in other instances hard surface floors may allow voices to carry or TV or stereo noise to be heard in other apartments that would normally be muffled or mitigated if carpeting was on the floor of the apartment). Unfortunately, some previous owners may have violated this rule and there is now hard surface flooring in place in some apartments. The walking areas of any hard surface flooring must be covered with runners, carpeting or accent rugs in order to minimize excessive noise transmission that disturbs one or more neighboring residents (upstairs, downstairs, next door or across the hall). If the excessive noise transmission cannot be abated, the owner of the hard surface flooring may be required to cover that flooring with appropriate carpeting.

The Board reserves the right to impose substantial and progressive fines when necessary to discourage inappropriate behavior by any unit owner, guest, contractor or Tenant.

**THESE SUMMARIZED OPERATING PROCEDURES/STANDARDS OF BEHAVIOR HAVE BEEN APPROVED BY THE HIGHWOOD CONDOMINIUM BOARD OF DIRECTORS THIS 22 DAY OF August 2008 WITH AN IMMEDIATE EFFECTIVE DATE. IF YOU HAVE ANY QUESTIONS ABOUT THIS SUMMARY PLEASE CONTACT ARNHEIM & NEELY INC., OUR MANAGEMENT AGENTS, AT 412-391-1900. THANK YOU.**

  
Highwood Condo Association, Pres.

  
Highwood Condo Assoc., Sec.

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE HIGHWOOD CONDOMINIUM ASSOCIATION**

To Wit, on this 31<sup>st</sup> day of March, 2009, the Highwood Board of Directors has clarified and resolved the following operational policy for the Highwood Condominium.

1. Each unit owner/resident is expected to report any common element maintenance service items to the building superintendent, Arnold Jefferson, at 412/441-5757, during normal weekday business hours.
2. In the event of an emergency that requires immediate attention you are to contact the management company, Arnheim & Neely at 412/391-1900, (24/7/365).
3. With respect to access into any Highwood unit, be advised that access is always controlled by the unit owner/tenant. If owner/tenant does not want the maintenance superintendant to have access, the owner/tenant should not provide a key for said unit, or provide a key for service only on a specific day and retrieve the key the next day. A key may be given to a trusted friend or neighbor instead of giving it to the building office. For those residents/tenants who do not want the Association to have a key to your unit, we will gladly return the key at your request. Please note, the Association does not provide after hours lock out service.
4. In the event of an emergency when the Association does not have immediate access into your unit, the proper authority (fire, police, or other emergency services, etc.) may need to use a locksmith or gain forced entry. In such a case the unit owner is responsible for all expenses relating to that action.

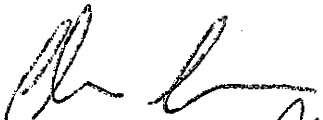
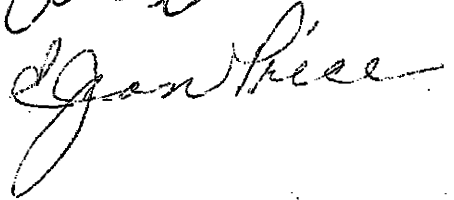
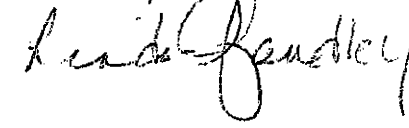

While this does not substantially differ from past practice, we find it necessary to reiterate and publish this policy just as a reminder.

Should you have any questions or concerns you are asked to contact a Board Member or contact Arnheim & Neely at 412-391-1900.

This Resolution is intended to clarify and supersede any prior published standards regarding the within matter.

By Resolution of Council:  
THE HIGHWOOD CONDOMINIUM

Robert Stern, President  
E. Jean Price  
Linda Handley  
Paul Svoboda  
Christopher Connor

 Robert Stern  
 E. Jean Price  
 Linda Handley  
 Paul Svoboda



60 2010 00013491

Allegheny County  
Valerie McDonald Roberts  
Department of Real Estate  
Pittsburgh, PA 15219

Instrument Number: 2010-13491

BK-DE VL-14274 PG-194

Recorded On: May 27, 2010

As-Deed Agreement

Parties: HIGHWOOD CONDO ASN

To HIGHWOOD CONDO ASN

# of Pages: 5

Comment: AMEND TO DECLARATION

\*\*\*\*\* THIS IS NOT A BILL \*\*\*\*\*

Deed Agreement	78.50
Pages > 4	0
Names > 4	0
Total:	78.50

I hereby certify that the within and foregoing was recorded in the Department of Real Estate in Allegheny County, PA

**\*\*DO NOT REMOVE-THIS PAGE IS PART OF THE RECORDED DOCUMENT\*\***

File Information:

Record and Return To:

Document Number: 2010-13491  
 Receipt Number: 1588820  
 Recorded Date/Time: May 27, 2010 01:00:36P  
 Book-Vol/Pg: BK-DE VL-14274 PG-194  
 User / Station: A Matthews - Cash Super 04

LISA M BURKHART ESQ  
 310 GRANT ST STE 1109  
 GRANT BLDG  
 PITTSBURGH PA 15219



Valerie McDonald Roberts, Manager  
Dan Onorato, County Executive

AMENDMENT TO THE DECLARATION OF CONDOMINIUM FOR THE HIGHWOOD, A CONDOMINIUM LOCATED IN THE 7<sup>TH</sup> WARD OF THE CITY OF PITTSBURGH, ALLEGHENY COUNTY, PENNSYLVANIA

WHEREAS, the Highwood Condominium Association was enacted pursuant to the provisions of the Pennsylvania Uniform Condominium Act. 68 Pa. C.S. §3101 *et. seq.* by the filing of a Declaration of Condominium for the Highwood, a Condominium, at the Allegheny County Recorder of Deeds Office, at Deed Book Volume 6990, page 557; and

WHEREAS, the Executive Board of the Highwood Condominium Association has determined that it may be in the best interest of the Association to adopt restrictions on future leasing of Units at the Highwood Condominium Association for the purpose of maintaining the quality of residential living at the Association; and

WHEREAS, as of the date of enactment of this Amendment, a total of ten (10) Units are currently subject to a validly-executed lease and this Amendment will have no effect on the lease of these ten (10) Units; and

WHEREAS, Article V of the Declaration of Condominium for the Highwood Condominium provides that the Declaration may be amended only in accordance with the procedures specified in Section 3219 of the Act; and

WHEREAS, Section 3219 of the Uniform Condominium Act of Pennsylvania provides that the Declaration may be amended upon an affirmative vote of Unit Owners of Units to which at least sixty-seven (67%) percent of the votes in the Association are allocated; and

WHEREAS, at a duly called meeting of the Unit Owners, at least sixty-seven (67%) percent of the Unit Owners entitled to cast a vote at the Highwood Condominium Association voted in favor of the within Amendment.

NOW THEREFORE, the Declaration of Condominium for the Highwood Condominium is hereby amended as follows:

**Section 1:** Article VIII is hereby amended by deleting Article VIII in its entirety and replacing it with the following Article VIII:

**"Article VIII Leasing.**

8.1 No more than twenty-five (25%) percent of the total number of Units (i.e., 12 total Units) at the Highwood Condominium Association may be leased at any one (1) time. The Executive Board and/or Property Manager shall maintain a Leasing Waiting List and will notify the next Unit Owner on the Waiting List when the number of Units being leased has decreased below twenty-five (25%) percent of the total Units. All requests to be placed on the Leasing Waiting List must be in writing and delivered to the Property Manager. The order of the Leasing Waiting List will be established based upon the date that the request is received by the Property Manager. For purposes of this provision, any occupancy of a Unit by a non-Unit Owner shall be deemed a "lease", notwithstanding whether the non-Unit Owner compensates the Unit Owner for said occupancy, except as provided herein. Any occupancy of a Unit by an individual who resides with the Unit Owner shall not be deemed a lease. Further, any occupancy of a Unit by the Unit Owner's children, grandchildren, parents, or grandparents shall not constitute a lease.

8.2 Any Unit which has been approved to lease but remains unoccupied for a period of three (3) months will be placed at the bottom of the Leasing Waiting List. The right to lease a Unit, as set forth herein, terminates upon the transfer and/or sale of a Unit, with the exception of a transfer from the Unit Owner to a living trust.

8.3 Any Unit Owner who is permitted to lease his/her Unit pursuant to the provisions set forth herein is subject to the following regulations and restrictions:

- (a) Not less than the entire Unit may be leased at any one time;
- (b) No Unit may be leased for transient or hotel purposes;

- (c) No Unit may be leased for an initial term of less than one (1) year;
- (d) No Unit may be leased without prior written approval of the Executive Board and/or without a written lease agreement on a form approved by the Executive Board;
- (e) A copy of all leases shall be furnished to the Executive Board within ten (10) days after execution thereof; and
- (f) A breach of the Declaration, By-Laws or Rules and Regulations of the Condominium shall constitute a default under the lease and the lessee shall be bound by and subject to the Declaration, By-Laws and Rules and Regulations of the Condominium.”


8.4 By majority vote of the Highwood Condominium Association Board of Directors, the Board may make, but is not required to make, special hardship exceptions to the within lease restrictions. For purpose of illustration only, but not exclusive of these possible exceptional circumstances, the Board may permit a rental/leasing on the basis of financial or medical hardship when a exception to the lease restriction policy may be the humanitarian thing to do AND something that would be in the best financial interest to the association. However, the Board is directed to not encourage investor sales by granting exceptions to the lease restriction rules established herein. Clearly the Highwood unit owners want to restrict leasing/renting as a normal course of business; the Board’s discretion is only applicable where there are “exceptional circumstances” such as medical and financial hardships that are addressed and proven to the satisfaction of a majority of the Board on a case-by-case basis.

**Section 2:** All Units which are the subject of a validly-executed lease as of the date of this Amendment may continue to lease the said Unit. These leases are subject to the Regulations and Restrictions set forth at subparagraphs 8.1, 8.2 and 8.3 hereof.

**Section 3:** Except to the extent Amended herein, all of the remaining provisions of the Declaration of Condominium, By-Laws and Rules and Regulations of the Highwood Condominium Association shall remain in full force and effect.

DATED this 5<sup>th</sup> day of May, 2010.

  
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President

  
\_\_\_\_\_  
Secretary



**CERTIFICATE**

We, Chris Connors, President of the Highwood Condominium Association, and Paul Snoboda, Secretary of the Highwood Condominium Association hereby certify that the foregoing Amendment to the Declaration governing the Highwood Condominium Association has been consented to by at least sixty-seven (67%) percent of the Unit Owners entitled to cast a vote at the Highwood Condominium Association.

Dated this 5<sup>th</sup> day of May, 2010.

Chris Connors  
President  
Paul Snoboda  
Secretary

**ACKNOWLEDGEMENT**

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF ALLEGHENY )

On this, the 5<sup>th</sup> day of May, 2010, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared Chris Connors, President of the Highwood Condominium Association, and Paul Snoboda, Secretary of the Highwood Condominium Association, who acknowledged that they executed the foregoing instrument for the purposes therein contained.

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

Lisa M. Burkhart  
Notary Public

My Commission Expires:  
MAIL TO:

LISA M. BURKHART, ESQUIRE  
1109 GRANT BUILDING  
310 GRANT STREET  
PITTSBURGH, PA 15219

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Lisa M. Burkhart, Notary Public  
City of Pittsburgh, Allegheny County  
My Commission Expires July 10, 2012  
Member, Pennsylvania Association of Notaries

## Resolution

Of

Highwood

**Board of Directors**

Whereas this Association Board is aware of various changes in the mortgage industry including the fact that Private Mortgage Insurance (PMI) is no longer available to Buyers and that FNMA/FHA is now insuring mortgages for Buyers that cannot obtain mortgage financing without the Association meeting certain approval standards. This Board understands that *some* marginally qualified potential Buyers and some existing unit owners who wish to refinance/cash out a substantial amount of equity from their homes may be unable to obtain a mortgage without mortgage insurance. In some instances, the entire Association must be certified as a HUD "approved" community (spot approval of just the unit being sold or refinanced is no longer adequate or available).

It is also our understanding that qualified Buyers or refinancing unit owners with 30% or more down/equity are not likely to need mortgage insurance. Certainly, not every Buyer or refinancing unit owner requires mortgage insurance. In fact, in HUD/FHA certified Associations FHA insured mortgage loans may not exceed 30% of the total number of homes in the Association.

We reviewed the advantages and disadvantages of this Association encouraging/accommodating Buyers who cannot qualify for mortgage financing without mortgage insurance. We also reviewed the requirements for obtaining HUD certification of the entire Association (including the need to seek recertification every two years, a limit on the number of rentals permitted in the Association, proof that the Association is not in a flood zone, HUD would decide if our operating budget is reasonable, HUD would decide if the amount of our delinquencies is reasonable, HUD would also decide if our reserve funds are reasonable and based on a formal reserve study, the Association's insurance must be 100% coinsurance (even when the governing documents allows the Association to carry 80% co-insurance) and the Association must purchase/carry Fidelity Insurance).

Since insured mortgage financing is not required of every potential Buyer, this Board of Directors did reasonable research on the matter, discussed the pros and cons of modifying the Association's operations and made the business decision to NOT pursue/seek HUD certification of the Association. We decided to generally NOT encourage/accommodate marginal or higher risk Buyers who need mortgage insurance in order to qualify for mortgage financing to purchase a home in this community. Potential Buyers who cannot qualify for a mortgage without mortgage insurance will, understandably, reduce the pool of potential Buyers for homes in this Association.

RESOLVED, with an immediate effective date ( 2/16/11 ) this Board has made the business decision to not encourage or adopt standards designed to accommodate or encourage insured mortgage financing. By making this decision we understand that some marginal Buyers may be unable to obtain mortgage financing to purchase homes in this Association.

For the business reasons set fort above, this Resolution was adopted on this 16 day  
of February 20 11 as witnessed by the hands and seals of the following Board  
members.

*J. J. Price* \_\_\_\_\_  
*Jacqueline Moreau 2/16/11* \_\_\_\_\_  
*F. B. B.* \_\_\_\_\_  
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