

CODE OF REGULATIONS
FOR
HIGHLAND WOODS, A CONDOMINIUM

ARTICLE I

Name and Location.

The name of this condominium association is: Highland Woods, a Condominium (hereinafter called the "Association"). Its principal office is located in Harmar Township, Allegheny County, Pennsylvania.

ARTICLE II

Definitions.

Unless the context clearly indicates otherwise, the words and phrases used in this Code of Regulations have the same meaning as the identical words and phrases have in the Declaration of Condominium, recorded with respect to the Property known as Highland Woods.

ARTICLE III

Purpose.

The purpose of the Association is to act on behalf of its members as their governing body with respect to the administration, maintenance, repair and replacement of certain Property which has been submitted to the Unit Property Act of Pennsylvania (hereinafter called the "Act"). The Association is to be operated on a nonprofit basis.

ARTICLE IV

Identification of the Property.

The Property involved herewith has been submitted to the provisions of the Act by the recording of a Declaration of Condominium and a Declaration Plan in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania. The Property is described on Sheet No. 1 of the Declaration Plan, as Highland Woods, a Condominium and is also legally described in Exhibit A attached hereto.

ARTICLE V

Section 1. The members shall consist of all of the Unit Owners of the Property in accordance with the respective percentages of ownership

of the said Unit Owners in the Common Elements of the Property. Such respective percentages of ownership shall be determined in accordance with the provision of the Declaration.

Section 2. Except as provided herein or in the Declaration, membership shall not be transferable. The membership of each Unit Owner shall terminate upon a sale, transfer, or other disposition of his ownership interest in the Property, accomplished in accordance with the provisions of the Declaration, and thereupon, the membership shall automatically transfer to and be vested in the new owner succeeding to such ownership interest. The Association may, but shall not be required to, issue certificates or other evidence of membership therein.

ARTICLE VI

Meetings.

Section 1. Meetings of the membership shall be held at the Property, or at such other place in Allegheny County, Pennsylvania, as may be specified in the Notice of Meeting.

Section 2. One year after deeds of conveyance representing 80% or more in common ownership shall have been recorded, or two years from the the date hereof, whichever is earlier, the Declarant shall notify all Unit Owners thereof, and the first annual meeting of the Unit Owners shall be held within 60 days thereafter on call of any member of the Council. Thereafter, an annual meeting of the members shall be held each year on the second Monday of the month of January, or in the event that day is a legal holiday on the first day thereafter which is not a legal holiday. At such meeting, there shall be elected by ballot of the members a Council in accordance with the provisions of Article VII of this Code of Regulations. The members shall also transact such other business as may properly come before them.

Section 3. It shall be the duty of the President to call a Special Meeting of the members as directed by resolution of the Council or upon a petition signed by the owners of fifty (50%) percent of the ownership interest in the Common Elements. The notice of any Special Meeting shall

state the time, place, and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless with the consent of four-fifths (4/5ths) of the members present, either in person or by proxy.

Section 4. It shall be the duty of the Secretary, or upon his failure or neglect, then any officer or member, to mail by United States Mail, a notice of each annual or special meeting, stating the purpose, the time and place thereof to each member of record.

Section 5. The presence, either in person or by proxy, of the owners of at least thirty (30%) percent of the ownership interest in the Common Elements shall be required for and shall constitute a quorum for the transaction of business at all meetings of members.

Section 6. If at any meeting of members a quorum shall not be in attendance, those members who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time at which the original meeting was called.

Section 7. Each Unit Owner shall be entitled to the same number of votes represented by his Unit's Proportionate Interest in the Common Elements. If any Unit Owner consists of more than one (1) person, the voting rights for each Unit Owner shall not be divided but shall be exercised only as a Unit. The Declarant, as described in the Declaration, may exercise the voting rights with respect to any Units, title to which is in the Declarant.

Unless by express provision of the Act or of this Code of Regulations or of the Declaration, a different vote is required, each question presented at a meeting shall be determined by a majority vote of those present.

Section 8. The vote of any corporate, partnership, or trust member may be cast on its behalf by any officer, partner, or trustee of such member and any such member may appoint its officer, partner, trustee or beneficiary, or any other member as its proxy. An individual member may appoint only his or her spouse or another member as a proxy. Each proxy must be filed with the Secretary prior to the commencement of a meeting, or at the time that proxies are called for.

ARTICLE VII

Council.

Section 1. The affairs of the Association shall be governed by a Council. Until such time as their successors have been elected by the Unit Owners, the Council shall consist of those persons named in the Declaration. Thereafter, the Council shall be composed of five (5) persons and each Council member shall be a Unit Owner or the spouse of a Unit Owner; or if a Unit Owner shall be a corporation, partnership, or trust, then an authorized agent, officer, partner, or beneficiary of such Unit Owner.

Section 2. The Council shall have the powers and duties necessary for the administration of the affairs of the Association and shall have all powers and duties referred to in the Declaration, and may do all such acts and things provided by the Act to be done by the Council, or by the Unit Owners collectively, except such acts or things as are by law or by this Code of Regulations or by the Declaration directed to be exercised and done by the members individually. The powers of the Council shall include, but not be limited to the following: (a) to elect the officers of the Association; (b) to administer the affairs of the Association and the Property; (c) to engage the services of a manager or managing agent for the Property and to fix the terms of such engagement and the compensation and authority of such manager or managing agent, subject to any such contract previously entered into by the Declarant; (d) to promulgate such rules and regulations concerning the operation and use of the Property, the Common Elements or any part thereof as may be consistent with the Declaration and this Code of Regulations and to amend the same from time to time; (e) to provide for the maintenance, repair, and replacement of the Common Elements; and (f) to estimate and adopt an annual operating budget and to provide for the assessment and collection from the Unit Owners of their respective shares of the expenses or estimated expenses as hereinafter provided.

Section 3. At the first annual meeting of members, the term of office of two (2) Council members shall be fixed for three (3) years; the term of office for two (2) Council members shall be fixed at two (2) years; and the term of office on one (1) Council member shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Council member, his successor shall be elected to serve a term of two (2) years. The Council Members shall hold office until their successors have been elected and qualified. If the number of Council members shall be increased, the terms of such additional Council Members shall be fixed so that the terms of at least one-third (1/3rd) of the persons on the Council shall expire annually.

Section 4. Vacancies of Council members caused by any reason, including the failure of a member to continue to meet the qualification of office, shall be filled by election by the members at the next annual meeting or at a special meeting called for such purposes.

Section 5. Annual meetings of the Council shall be held at the call of a majority of the Council members until the first annual meeting of the members and, thereafter, such meeting shall be held immediately following the annual meeting of the members and at the same place. Special meetings of the Council may be called by the President or a majority of the Council members on three (3) days notice to each Council member by mail or telegraph. Council may waive notice of a meeting or consent to or take any action without a formal meeting.

Section 6. At all meetings of the Council, a majority of the Council members shall constitute a quorum for the transaction of business and any action may be taken by the majority of those present.

Section 7. Any Council member may be removed from office by the vote of members owning at least three-fourths (3/4ths) of the ownership interest in the Common Elements, except for the members elected by Declarant.

Council members shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the members.

Section 8. The Council shall have no authority to approve or authorize any capital expenditure in excess of \$10,000, nor to authorize any contract for a term of more than three (3) years except with the approval of three-fourths of the Unit Owners.

ARTICLE VIII

Officers.

Section 1. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such assistants to such officers as the Council may deem appropriate, which officers shall be elected at the first meeting of the Council and shall hold office until the next annual meeting of the Council and their successors are elected and qualify.

Section 2. Any officer may be removed at any meeting by the affirmative vote of the majority of the members of the Council, either with or without cause, and any vacancy in any office may be filled by the Council at any meeting thereof.

Section 3. Each respective officer of the Association shall have such powers and duties as are usually vested in such office of a non-profit association, including but not limited as follows: (a) The President shall be a member of Council and shall be the Chief Executive Officer of the Association and shall preside at all meetings of the members and of the Council; (b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office; (c) The Secretary shall keep minutes of all meetings of the members and of the Council and shall have custody of the Association Seal, if any, and have charge of the membership transfer books and such other records, books, papers and documents of the Association as the Council may prescribe; (d) The Treasurer shall be responsible for the Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in Association books of account kept for such purpose.

Section 4. The officers shall receive no compensation for their

services except as expressly provided by a resolution duly adopted.

ARTICLE IX

Fiscal Management.

Section 1. The fiscal year of the Association shall begin on the first day of January each year, except the first fiscal year of the Association shall begin at the date of the recording of this Code of Regulations. The commencement date of the fiscal year herein established shall be subject to change by the Council.

Section 2. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within a reasonable time after the close of each fiscal year, but not later than Sixty (60) days thereafter, the Association shall furnish the members with a statement of income and disbursements of the corporation for such prior fiscal year.

Section 3. a. With respect to each fiscal year, and within ninety (90) days from the commencement thereof, the Council shall cause an estimated annual budget to be prepared. The Council shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following items: (i) management and administration expenses; (ii) the estimated cost of repairs, maintenance and replacements of Common Elements; (iii) the cost of such utilities as may be furnished by the Association; (iv) the amount of such reserves as may be reasonably established by the Council, including general operating reserves, reserves for contingencies, and reserves for replacements; (v) such other expenses of the Association as may be approved by the Council including operating deficiencies, if any, for prior periods.

b. The Council shall also estimate the amount of income to be received by the Association from the use, operation or rental of any of the Common Elements, which amount shall be referred to as non-

membership income. The difference between the estimated annual expenses of the Association and the non-membership income shall be an amount referred to as membership assessments.

c. On or before the first day of each month of the fiscal year covered by such estimated annual budget, each member shall pay as his respective monthly assessment one-twelfth (1/12th) of his proportionate share of the amount designated in the estimated annual budget as membership assessments. Each member's proportionate share of membership assessments shall be the same as his respective percentage ownership in the Common Elements.

d. Until the annual budget for a fiscal year is sent to each member of the Association, the member shall continue to pay that amount which had been established on the basis of the previous estimated annual budget.

e. If any member shall fail or refuse to make payment of his proportionate share of the Common Expenses including provision for reserves when due, the amount thereof together with interest thereon as provided by law shall constitute a lien on the interest of such member in the Property. The Association and the Council shall have the authority to exercise and enforce any and all rights and remedies provided in the Act, the Declaration, the Code of Regulations or the Rules and Regulations, or are otherwise available at law or in equity for the collection of all unpaid assessments.

Section 4. If at any time during the course of any fiscal year the Council shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or other income, the Council shall prepare and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and, thereafter, monthly assessments shall be determined and paid on the basis of such revision.

Section 5. Upon the purchase of each Unit from the Declarant, or at any time thereafter, at the request of the Council, each Unit Owner, not including the Declarant, shall deposit with the managing agent of the Property, or as may be otherwise directed by the Council an amount equal to three (3) times the monthly assessment relating to such owner's Unit. Such amount shall be held, together with the amounts similarly deposited by the other Unit Owners, as an operating reserve for Common Expenses, and shall be used and applied as the Council may deem necessary. To the extent that the said operating reserve may be depleted, or in the judgment of the Council may be inadequate, the Council may increase the same by a special assessment of the Unit Owners in proportion to their ownership of the Common Elements. The said operating reserve on hand from time to time shall be deemed part of the Common Elements.

Section 6. With respect to any Units which have not been sold by the Declarant and which the Declarant continues to own, the Declarant shall pay to the Association only its pro-rated share of the amount of the actual operating expenses from time to time required to be paid with respect to the operation of the Property as determined by the total of the percentage of the Common Elements owned by the Declarant, multiplied by such operating expenses for the period in which such expenses were incurred; provided that, in no event shall the Declarant be required to pay an amount in excess of the aggregate of the assessments established with respect to those Units owned by the Declarant and provided further that, from and after April 1, 1978, the Declarant shall pay a monthly assessment with respect to any Units owned by the Declarant determined in the same manner as the monthly assessment is determined for all other Unit Owners.

Anything herein or in the Declaration to the contrary notwithstanding, the Declarant shall have the right to utilize any Units owned by the Declarant as models or general or sales offices for sale and promotion purposes including the sale and promotion of property or projects other than the Property and shall have the right to utilize the Common Elements for such purposes and in such manner as the Declarant may reasonable require.

ARTICLE X

Use Restrictions.

Section 1. Except as herein provided with respect to the uses permitted by the Declarant, no Unit shall be used for any other purpose than as a private dwelling for the member and his family, or by a person and such person's family to whom the member shall have leased his Unit subject to all the provisions of this Code of Regulations and the Declaration. No member nor a lessee of any member shall permit or suffer anything to be done or kept upon the Property which will increase the rate of insurance on the Property or on the contents thereof, or which will obstruct or interfere with the rights of other occupants or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance or commit or suffer any immoral or illegal act to be committed anywhere in or upon the Property.

Section 2. Each member shall maintain his own Unit in good condition, order, and repair at his own expense. No Unit Owner shall display hang, store, or use any signs or articles whatsoever on his balcony or outside his Unit other than such draperies, curtains or shades as may be permitted in accordance with the rules and regulations established by the Council. No member may paint, decorate, or otherwise alter or modify in any way the outside of his Unit, or install outside of his Unit any canopy, awning, covering, radio or television antenna, or structure or addition of any kind whatsoever without the prior written consent of Council.

Section 3. Trash, garbage, and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in rules and regulations established by the Council. No articles of personal property belonging to any Unit Owners shall be stored in any portion of the Common Elements without the prior written consent of Council.

Section 4. No member shall overload the electrical wiring or operate any machinery, appliance, accessories, or equipment in such a manner as to cause, in the judgment of the Council, any unreasonable disturbance.

Section 5. The Council may adopt such rules and regulations concerning use, occupancy or other matters as it deems appropriate; and may alter such rules and regulations as from time to time it may determine.

Section 6. The violation of any rule or regulation adopted by the Council or any provision of the Declaration shall give the Council or any duly constituted management acting on behalf of the Council 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 to summarily 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 hereof without being guilty of trespass.

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

c. To levy as an assessment or charge as a Common Expense pursuant to §702 of the Act against any Unit Owner an amount equal to damages sustained plus costs of suit and reasonable attorneys fees by virtue of such Unit Owner's violation of the intent and meaning of the provisions of the rules and regulations promulgated hereunder or that of guests or tenants under his control upon finding thereof by Council.

d. If the Council has adopted and published rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of any person thereon violates those Rules and Regulations, Council may, in its discretion, suspend such use of any such person for violation of such rules and regulations for a period not to exceed sixty (60) days.

Section 7. Council shall maintain, repair and replace all of the Common Areas and those elements within the Units as required by the Declaration and in the event that such maintenance, repair or replacement was caused by the negligence or misuse of a Unit Owner, such expense shall be charged to such Unit Owner. Each Unit Owner shall maintain, repair and

replace, at his own expense, all portions of his Unit, except the portions thereof to be maintained, required and replaced by the Association. Each Unit Owner shall be responsible for consequential damages to any other Unit or to the Common Areas caused intentionally, negligently, or by his failure to properly maintain, repair or make replacements to his Unit.

ARTICLE XI

Indemnification.

Section 1. The Association shall reimburse or indemnify each Council member, officer, and employee of the Association for or against all liabilities and expenses reasonably incurred by or imposed upon him in connection with or resulting from any claim, action, suit or proceeding whatsoever, civil, criminal, administrative, or investigative (hereinafter called "action"), in which he may become involved as a party or otherwise by reason of his being or having been such Council member, officer, or employee, or by reason of any action taken or not taken in such capacity, whether or not he continues to be such at the time such liabilities or expenses are incurred and whether or not such action or omission to act occurred before or after the adoption of this Code of Regulations, provided that (a) in respect to any action by or in the right of the Association, such person was not negligent or guilty of misconduct to the Association and (b) in respect to all other actions such person acted in good faith in what he reasonable believed to be the best interests of this Association and, in addition, in any criminal action had no reasonable cause to believe that his conduct was improper or unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. As used in this Code of Regulations the term "liabilities and expenses" shall include but not be limited to counsel fees and expenses and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by a director, officer or employee, but shall not include amounts paid to this Association itself (or to such other corporation or association) unless approved by a Court.

Section 3. Where such person has been wholly successful on the merits in such action, or where indemnification of such person has been awarded by a court, he shall be entitled to indemnification as of right; otherwise, including any instances where such action is terminated by a settlement, the Association shall reimburse or indemnify him only if it shall be determined that such person has met the standards set forth in Section 1, either (a) by the Council, acting by a quorum consisting of two or more members of the Association other than those involved in the action, or (b) if there are not at least two members then in office other than those involved in the action, by independent legal counsel, who shall deliver to the Association their written advice to such effect.

Section 4. Expenses incurred with respect to any action may be advanced by the Association prior to the final disposition thereof, upon receipt of an undertaking by such person to repay any amounts for which it shall ultimately be determined that he is not entitled to indemnification.

Section 5. The foregoing right of reimbursement or indemnification shall not be exclusive of other rights to which any such person may otherwise be entitled and, in the event of his death, shall extend to his legal representatives.

Section 6. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Council member, officer, employee, or agent of the Association, or is or was in any capacity serving the Association or Council at its request or serving at the

request of the Association as a Council member, officer, employee, or agent of another association, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this section.

ARTICLE XII

Amendments. This Code of Regulations may be amended or modified at any time, or from time to time, by the action or approval of the Unit Owners owning a majority of the Common Interests; except that regulations affecting the rights or interests of the Declarant shall not be amended or modified without the written consent of the Declarant.

IN WITNESS WHEREOF, we, being all of the first members of the Council of Highland Woods, a Condominium, have hereunto set our hands this 15th day of September, 1976.

WITNESS:

Robert P. Milligan Jr. Dominic C. Abbott
Robert P. Milligan Jr. Joseph DeMartino
Robert P. Milligan Jr. John W. King

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA:

: SS.

COUNTY OF ALLEGHENY :

Before me, the undersigned authority, personally appeared DOMINIC C. ABBOTT, JOSEPH DeMARTINO and JOHN W. KING, who acknowledged themselves to be the first members of the Council of Highland Woods, a Condominium, and that they, being authorized to do so, executed the foregoing Code of Regulations for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and seal this 15th day of September, 1976.

My Commission Expires:

ROBERT P. MILLIGAN, JR. Notary Public
Pittsburgh, Allegheny Co.
My Commission Expires
September 25, 1978



5682 000

ALL THOSE certain tracts or parcels of land located in Harmar Township, Allegheny County, Pennsylvania, being designated as Parcel "A" consisting of 6.0347 acres and Parcel "B" consisting of 1.7298 acres, both as shown on the Highland Woods Plan, as recorded in the Recorder's Office of Allegheny County, Pennsylvania, in Plan Book Volume 97, pages 123 and 124. Said Highland Woods Plan being a revision of the Rivermont Plan as recorded in the Recorder's Office of Allegheny County, Pennsylvania, in Plan Book Volume 87, pages 64 and 65.

HAVING ERECTED THEREON five (5) buildings containing a total of forty (40) Townhouse attached dwelling units, together with a swimming pool, playground and tennis court, paved parking areas and other appurtenances.

EXHIBIT A

RECORDER OF DEEDS
ALLEGHENY COUNTY, PA.
SEP 24 1 36 PM '76

RECORDED NUMBER <i>Harmer</i> 61185 SEP 24 1976	CODE OF REGULATIONS FOR HIGHLAND WOODS A CONDOMINIUM VOLUME PAGE	23.500	FEES:	Mail to: Mr. Dominic C. Abbott 600 Squaw Run Road Pittsburgh, Pa. 15238	Prepared by: E. D. HOLLINSHEAD, JR., ESQ. HOLLINSHEAD AND MENDELSON ATTORNEYS AT LAW 3010 MELLON BANK BUILDING PITTSBURGH, PENNSYLVANIA 15219
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COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF ALLEGHENY : SS.

RECORDED on this 24th day of Sept, A.D. 1976,

in the Recorder's Office of the said County, in Deed Book Volume 5683, page 967.

Given under my hand and the seal of the said office, the day and

year of 1976
SEP 24 1 36 PM '76
RECORDER OF DEEDS
ALLEGHENY COUNTY, PA.

John J. Epler
RECORDER

VOL 5683 PAGE 982

HOLLINSHEAD AND MENDELSON
ATTORNEYS AT LAW
3010 MELLON-BANK BUILDING
PITTSBURGH, PENNSYLVANIA 15219

AMENDMENTS -- HIGHLAND WOODS CONDOMINIUM ASSOCIATION

1. Because of extraordinary service to the community and special personal circumstances, Carmella Sobesky may, so long as she resides in Unit 102 of Highland Woods Condominiums and with the receipt of a letter from Dominic Abbott by the Secretary stating his support of this amendment, act as Dominic Abbott's authorized agent for Unit 102 of Highland Woods Condominiums, thereby being granted in Dominic Abbott's absence from meetings all rights and privileges due him.
2. We resolve that the election rule and pertinent articles be changed so that the officers shall be elected by the membership of the Association.

CHANGES AS A RESULT OF AMENDMENT 2 ABOVE

ARTICLE VII. Section 2. Eliminate clause in second sentence which reads
"(a) to elect the officers of the Association."
Letter designation should then be changed in all
succeeding clauses in that sentence. (p. 4)

ARTICLE VIII. Section 1. This section shall be changed to read as follows:
"The officers of the Association shall be a
President, one or more Vice Presidents, a
Secretary, a Treasurer, and such assistants to
such officers as the Council may deem appropriate,
which officers shall be elected by the members of
the Association at the Annual Meeting or at a
Special Meeting called for that purpose and shall
hold office until their successors are elected and
qualify."

Section 2. This section shall be changed to read as follows:
"Any officer may be removed at any meeting by the
affirmative vote of the majority of the members of
Council, either with or without cause, and any
vacancy in any office may be filled temporarily by
the Council at any meeting thereof until a Special
Meeting of the members can be called."