

**CODE OF REGULATIONS
OF
5000 FIFTH AVENUE**

ARTICLE I

GENERAL PROVISIONS

Section 1. Administration: The administration of this property of the condominium known as 5000 Fifth Avenue shall be governed by this Code of Regulations (hereinafter referred to as the “Code”).

Section 2. The Property: The “Property” means and includes the land and the building and other improvements now or hereafter erected hereon, all owned in fee simple, and all easements, rights, and appurtenances belonging thereto, which have been submitted to the condominium form of ownership in accordance with the Unit Property Act (hereinafter referred to as the “Act”) of the Laws of the Commonwealth of Pennsylvania by virtue of the Declaration of Condominium (hereinafter referred to as the “Declaration”) and Declaration Plans (hereinafter referred to as “Declaration Plans”) of 5000 Fifth Avenue, filed of public record in the Office of the Recorder of Deeds of Allegheny County, Commonwealth of Pennsylvania, in Plan Book Vol. ____, Page ____, et seq. and in Deed Book Vol. ____, Page ____, et seq., respectively.

Section 3. Persons Bound: All present and future owners, mortgagees, tenants, and occupants of the Units and Common Elements, and their respective agents and employees, and any other person who might occupy or use the Property, or any part thereof, in any manner, are subject to and bound by the provisions of the Declaration, Declaration Plans, this Code, and lawful rules and regulations promulgated from time to time by the Council governing the details of the use and operation of the Property, including the Units and Common Elements. The acquisition and rental of any of the Units of the Property or the act of occupancy of any of said Units shall automatically constitute an acceptance and ratification of the Declaration, and the Rules and Regulations adopted pursuant thereto, and of this Code and Declaration Plans, and shall indicate the intention to be legally bound by the provisions of the Declaration, Declaration Plans and this code.

Section 4. Definitions: Unless otherwise specified to the contrary herein or in the Declaration, the term used herein and in the Declaration shall have the meanings stated in the Act, which is hereby incorporated herein by reference with the same effect as if set forth fully herein.

Section 5. Office: The Council shall maintain an office at the Property or at such other place within Allegheny County as the Council may determine.

ARTICLE II
OWNERS' MEETING

Section 1. Voting: At any meeting of Unit Owners, each Unit Owner shall be entitled to the same number of votes as the percentage of ownership in the Common Elements assigned to his Unit in the Declaration and any amendments thereto. The vote of a Unit shall not be divided.

Section 2. Majority of Owners: As used in this Code and in the Declaration, the term "majority of owners" shall mean the owners of more than fifty (50%) percent in the aggregate in interest of the undivided ownership of the Common Elements as specified in the Declaration.

Section 3. Quorum: Except as otherwise provided in this Code, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum, and the act of more than fifty (50%) percent of the votes entitled to be cast at a meeting at which a quorum is present shall be the act of and binding upon all Unit Owners for all purposes, except where otherwise provided under the Act, Declaration Plans or this Code,

Section 4. Proxies: Votes may be cast in person or by written proxy. Proxies must be filed with the Council Secretary before the appointed time of each meeting. A proxy shall be revocable at any time only upon written notice to the Secretary, and in no event shall a proxy remain effective for longer than twenty-two (22) months. A proxy shall also become void when the Council has received written notice of the death or judicially declared incompetency of the grantor of such proxy.

Section 5. Unit Ownership:

- A. Single Ownership – If a Unit is owned by one person, his right to vote shall be established by the recorded title to the unit.
- B. Multiple Ownership – If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated in a certificate for this purpose, signed by all of the recorded owners of the Unit, and filed with the Secretary of the Council.
- C. Partnership Ownership – If a Unit is owned by a partnership, the partner or employee thereof entitled to cast the vote of the Unit for the partnership shall be designated in a certificate for this purpose, signed by all the partners, and filed with the Secretary of the Council.
- D. Corporate Ownership – If a Unit is owned by a corporation, the officer or employee thereof entitled to cast the vote of the Unit for the corporation shall be designated in a certificate for this purpose, signed by the president or vice-president,

and attested to by the secretary or assistant secretary of the corporation, and filed with the Secretary of the Council.

E. Husband and Wife Ownership – If a Unit is owned by a husband and wife, the following provisions are applicable:

1. They may, but shall not be required to, designate a voting member by a certificate for this purpose, signed by both, and filed with the Secretary of the Council.
2. If they do not so designate a voting member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.
3. If they do not so designate a voting member, and if only one is present at a meeting, the person present may cast the Unit individually and without establishing the concurrence of the absent person.

F. Fiduciary Ownership – If a Unit is owned in a fiduciary capacity, the fiduciary (and not the beneficiary) shall be entitled to exercise the voting rights appurtenant to such Unit.

G. Voting Certificates – The person designated in the voting certificates shall be known as the “Voting Member.” If a voting certificate is not on file with the Secretary of Council for a Unit owned by more than one person or by a partnership or corporation, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a person entitled to cast the vote for the Unit, except if said Unit is owned by a husband and wife. Voting certificates shall be valid until revoked in writing by any owner of the Unit or until superseded by a subsequent certificate or until a change in the ownership of the subject Unit occurs.

ARTICLE III

ADMINISTRATION

Section 1. Responsibilities of Unit Owners: The Unit Owners will have such rights, obligations and responsibilities as are set forth in the Declaration, Declaration Plans, this code, or by operation of the Act.

Section 2. Place of Meetings: Meetings of the Unit Owners shall be held at the principal office

of the Property or such other suitable place in Allegheny County as may be designated by the Council.

Section 3. Annual Meetings: The first annual meeting of the Unit Owners shall be held on the date and at the time specified in a written notice to all Unit Owners from the first Council, said date to be no later than one month after title to twenty-five (25) Units has passed to owners other than the Declarant (as defined in the Declaration) or January 1, 1981, whichever shall first occur. Thereafter the annual meetings of the Unit Owners shall be held on the second Tuesday of September of each succeeding year at 8:00 p.m., or at such other date and time as the Council shall be elected by ballot of a majority of Unit Owners in accordance with the requirement of Article IV hereof. The Unit Owners may also transact such other business as may properly come before them.

Section 4. Special Meetings: It shall be the duty of the President of the Council to call a special meeting of the Unit Owners as directed by resolution of the Council or upon a petition signed by a majority of the Unit Owners having been presented to the Council Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless consented to by the vote of Unit Owners representing eighty (80%) percent of the Common Elements present, either in person or by proxy.

Section 5. Notice of Meetings: It shall be the duty of the Secretary to deliver or cause to be delivered to each Unit Owner of record, a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, at least five (5) days prior to such meeting. Notices to Unit Owners shall be addressed to the Unit of each Unit Owner or to such other address as a Unit Owner may from time to time specify in writing to the Secretary. Delivery shall be deemed to have been made when the notice is placed in the Unit Owner's mailbox or when the notice is deposited in the United States Mail, postage prepaid. Notice may be waived in a writing given either before or after a meeting. Notices to multiple owners of a Unit shall be addressed to all, but need be sent only to the Unit or to one other address designated by the Unit Owner in writing to the Secretary.

Section 6. Adjourned Meetings: If a quorum is not present at any meeting, the Unit Owners present, either in person or by proxy, may, by majority vote, reschedule the meeting for a later date, and notice thereof shall be give to all Unit Owners in accordance with the provisions of Article III, Section 5 hereinabove. If a quorum is not present at such second meeting, the notice procedure shall be repeated if the Unit Owners present, either in person or by proxy, by majority vote, decide to call a third meeting. A quorum at such third meeting shall consist of whatever number of Unit Owners is present.

Section 7. Proxies: Proxies may be held only by those otherwise entitled to vote at any meeting. No one may hold more than one (1) proxy at any time.

ARTICLE IV

COUNCIL

Section 1. Number of Qualification. The Council shall consist of seven (7) natural persons who need not be Unit Owners. They shall manage the business, operation, and affairs of the Property on behalf of the Unit Owners in compliance with the provisions of the Declaration, Declaration Plans, this Code and the Act. The foregoing to the contrary notwithstanding, the first members of Council shall be only four (4). They shall serve until the first annual meeting (as provided in Article III, Section 3) and are named in the Declaration.

Section 2. Powers and Duties. The Council shall have the powers and duties necessary for the administration of the affair of the Unit Owners and may do all such acts and things as are not by law or by this Code or Declaration directed to be exercised and done by the Unit Owners. Subject to the limitations and restrictions contained in the Act, the Declaration, Declaration Plans and this Code, these duties shall specifically include, but shall not be limited to, the following:

- A. The exercise of all powers and the performance of duties specifically set forth in the Declaration, Declaration Plans, this Code and the Act.
- B. The assessment and collection of funds from Unit Owners for Common Expenses and the payment of such Common Expenses.
- C. The maintenance, repair and replacement of the Common Elements.
- D. The promulgation, distribution and enforcement of Rules and Regulations governing the use and operation of the Property and the use of the Common Elements, subject to the right of a majority of the Unit Owners to change any such rules.
- E. The power to engage and dismiss employees; appoint and dismiss accountants, agents and attorneys, and define the duties and fix the compensation of such employees, accountants, agents and attorneys; designate and enter into a trust agreement with three (3) or more Council members to act as trustees on behalf of Council for the purposes of holding title to any Units purchased by Council in trust for the Unit Owners; and enter into agreements, contracts, deeds, leases, mortgages and other written instrument or documents in the name of the Council or in the name of the trustees appointed by Council pursuant to this Section, and authorize the execution, delivery, and, if appropriate, the recording thereof.
- F. The power further to improve, repair, replace and refurnish the Common Elements, real and personal, and to purchase items of furniture, furnishings, fixtures and equipment for the same.

- G. The power to designate one or more committees, which, to the extent provided in the resolution designating said committee, shall have the powers of the Council in the management of the business and affairs of the Condominium. Such committee shall consist of the number of persons specified in said resolution. The committee or committees shall have said name or names as may be determined from time to time by the Council, and to the extent required by Council, said committee shall keep minutes of its proceedings and report the same to the Council.

- H. The Council may hire one or more persons or business entities to manage the Property (hereinafter referred to as the “Managing Agent”). The Managing Agent shall be subject to the control of the Council at all times. The Council shall have the power to fix the Managing Agent’s compensation (such compensation to be assessed as a Common Expense), and to set forth the details of the Managing Agent’s powers and duties, including, but not limited to, the power of the Managing Agent to engage employees and agents, who may or may not be independent contractors, and to define and limit the liability of the Managing Agent. Such delegation may (but need not) be sufficiently broad as to encompass the full range of powers and duties of the Council, including, but not limited to, the power to open and maintain bank accounts and write checks on behalf of the Council, as directed by the Council. The Council shall not be liable for the Managing Agent’s wrongful exercise of any power or duty.

- I. The Council shall also have such incidental powers as may be necessary or appropriate to the performance of its duties as set forth in the Declaration, Declaration Plans, this Code, and the Act.

Section 3. Election and Term of Office. At the first annual meeting of the Unit Owners, the term of office of three (3) Council Members shall be fixed at three (3) years. The term of office of two (2) Council Members shall be fixed at two (2) years, and the term of office of 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 three (3) years. The Council Members shall hold office until their successors have been elected. Nominations may be made from the floor at the annual meeting of Unit Owners or at a special meeting called for that purpose. If more than the number of Council Members to be elected are nominated, each Unit Owner shall vote for no more than the number to be elected (on a non-cumulative basis) and the candidates receiving the highest number of votes shall be elected.

Section 4. Vacancies. Vacancies in the Council caused by any reason other than the removal of a Council Member by a vote of the Unit Owners shall be filled by vote of the majority of the remaining Council Members, even though they may constitute less than a quorum; and each person so elected shall be a Council Member until a successor is elected at the next annual meeting of Unit Owners.

Section 5. Removal of Council Members. At any special meeting duly called for the purpose of removing a Council Member or Members, any one or more of the Council Members may be so removed, with or without cause, by a majority vote of the Unit Owners, and a successor may there and then be elected to fill the vacancy thus created. Any Council Member whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 6. Organization Meeting. The first meeting of a newly elected Council shall be held within ten (10) days of the election of its members, at such time and place as shall be fixed by the Council Members present at the meeting at which such Council Members were elected. No notice shall be necessary to the newly elected Council Members in order legally to constitute such meeting, provided a majority of the whole Council shall be present.

Section 7. Regular Meetings. Regular meetings of the Council may be held at such time and place as shall be determined, from time to time, by a majority of the Council Members, but at least two (2) such meetings shall be held during each twelve (12) month period following the previous annual meeting of Unit Owners. Notice of regular meetings of the Council shall be given to each Council Member, personally or by mail or telephone, at least ten (10) days prior to the day fixed for such meeting.

Section 8. Special Meetings. Special meetings of the Council may be called by the President on one (1) day's notice to each Council Member, given personally or by mail or telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Council shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Council Members.

Section 9. Waiver of Notice. Before or at any meeting of the Council, any Council Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Council Member at any meeting of the Council shall be a waiver of notice by him of the time and place thereof. If all the Council Member are present at any meeting of the Council, no notice shall be required and any business may be transacted at such meeting.

Section 10. Action by Written Consent. Any action which may be taken at a meeting of the Council may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Council Members who would be entitled to vote at a meeting for such purpose. Said consent shall be filed with the Secretary.

Section 11. Council Quorum. At all meetings of the Council, a majority of Council Members shall constitute a quorum for the transaction of business, and the acts of the majority of the Council Members present at a meeting at which a quorum is present shall be the acts of the Council. If, at any meeting of the Council, there be less than a quorum present, the majority of those present may adjourn or cancel the meeting. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Effect of Presence. Any Council Member present at any meeting shall be deemed to have assented to any action taken at such meeting unless his dissent is entered on the minutes or unless his written dissent is filed with the Secretary at or immediately following the adjournment thereof, provided that no Council Member may dissent from any action for which he voted at the meeting.

Section 13. Participation by Telephone. One or more Council Members may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 14. Compensation. No Council Member shall be compensated for acting as such.

Section 15. Miscellaneous. Unit Owners shall not be entitled to attend Council meetings, but the Council may, in its sole discretion, vote to allow Unit Owners to attend a particular meeting or meetings, and shall post a notice of such a meeting at least three (3) days prior to said meeting; provided, however, that the failure to give such notice shall neither invalidate any actions taken by the Council at said meeting nor impose any liability on the Council or its officers for the failure to give such notice. Notwithstanding anything contained herein to the contrary, Unit Owners shall have the right to attend and be heard, but not the right to vote, at the Council meeting at which the fiscal year-end budget of the Property shall be adopted by the Council. Unit Owners shall receive written notice of said meeting together with a copy of the proposed budget, at least ten (10) days prior to said meeting.

Section 16. Consent. Whenever the Declaration, this Code, the Rules and Regulations or the Act shall require written permission of the Council, such permission shall consist of a written statement setting forth the action or activity for which such permission is granted, signed by the President or any Vice President who shall have been authorized to sign such permission by the vote of the Council. Written permission of Unit Owners shall consist of a similar written statement signed by the Secretary of the Council who shall have been authorized to give such permission by such vote of the Unit Owners as may be required to allow the requested action or activity. The action or activity for which permission is granted shall be noted by the Secretary in the records of the Council or the Unit Owner, as the case may be, according to which body granted such permission.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Council shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by and from the Council. The Council Members may appoint an Assistant Treasurer and an Assistant Secretary

and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Council shall be elected annually by the Council at the organization meeting of each new Council and shall hold office for one year and until their respective successors are elected, subject to the pleasure of the Council.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Council, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Council or any special meeting of the Council called for such purpose. Vacancies shall be filled by similar election.

Section 4. President. The President shall be the chief executive officer of the Council. He shall preside at all meetings of the Unit Owners and of the Council. He shall also have all of the general powers and duties which are usually vested in the president of any association, including without limitation the power to appoint committees from among the Unit Owners from time to time as he may, in his discretion, decide.

Section 5. Vice President. A Vice President designated by the Council shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor any Vice President is able to act, the Council shall designate another member of the Council to do so on an interim basis. Vice Presidents shall also perform such other duties as shall from time to time be delegated to them by the Council.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Council and the minutes of all meetings of the Unit Owners; he shall have charge of the minutes of the meeting and the records of the Association except financial records. He shall also have all of the general powers and duties which are usually vested in the office of secretary of any association.

Section 7. Treasurer. The Treasurer shall be responsible for all Council funds and for the deposit of all such funds in the name and to the credit of the Council in such depositories as may from time to time be designated by the Council. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Common Elements, specifying and itemizing the maintenance, repair, and replacement expenses of the Common Elements and any other expenses incurred. Such records shall be available for examination by the Unit Owners during regular business hours. In accordance with the actions of the Council's assessment of Common Expenses against the Units and Unit Owners, the Treasurer shall keep accurate records of such assessments and of the payment thereof by each Unit Owner.

Section 8. Compensation. The compensation, if any, of all officers shall be fixed by the Council at its annual meeting.

Section 9. Execution of Instruments. No agreement, check, deed, lease, or other instrument shall be binding upon the Unit Owners unless entered into on their behalf by Council and signed by

the President or any Vice President and the Secretary or any Assistant Secretary, as authorized and directed by Council.

ARTICLE VI

COMMON ELEMENTS AND COMMON EXPENSES

Section 1. Definitions.

- A. “Common Elements” shall have the meaning designated in Section 5 of the Declaration.
- B. “Common Expenses shall mean and include, but not be limited to:
 - 1. Expenses of administration, maintenance, repair and replacement of the Common Elements and the parking spaces, and structural elements of the balconies;
 - 2. Expenses agreed upon as common by all the Unit Owners;
 - 3. Expenses declared common by provisions of the Act, or by the Declaration of this Code;
 - 4. Expenses of Council in managing the business, operation and affairs of the Property and in otherwise executing its powers and duties hereunder and under the Act and Declaration;
 - 5. The costs of the operation of the Property, including, without limitation, the parking garage, storage area and Unit occupied by the caretaker of the Property, and of the cost of the maintenance, repairs, additions, alterations, improvements and replacements called for by the Council and repairs and restoration in excess of applicable insurance proceeds and amounts necessary to discharge any mechanics’ liens arising as a result thereof;
 - 6. The compensation of employees and agents of the Condominium of Council, including, without limitation, counsel and independent accountants, and the fees and expenses of the Insurance Trustee referred to herein;
 - 7. The premiums on all policies of insurance and fidelity bonds obtained by the Council;

8. The liabilities of the Condominium or Council under contracts or resulting from or out of the settlement of litigation;
 9. Such amounts as the Council deems proper for working capital, general operating reserves, and reserves for replacements and contingencies, and to make up any uncollectible delinquencies in the payment of assessments for Common Expenses;
 10. Amounts expended by the Council to purchase, hold, repair or restore, sell, convey, mortgage (including interest payable under any mortgage), lease, or otherwise deal in Units acquired and held pursuant to this Code or the Declaration and to pay the assessments for Common Expenses and real estate taxes, municipal claims and charges assessed against such Units and any other charges and expenses thereof which the Council holds title thereto;
 11. The cost of electricity and gas consumed on, and water and sewer rents charged to the Units and the Common Elements except to the extent separately metered and billed to Unit Owners; and
 12. Uncollectible assessments for Common Expenses and the costs of suit to collect Common Expenses.
- C. “Common Profits” means the surplus of the Property and the Condominium of Council, net of the expenses attributable thereto, including, without limitation, any net income on the leasing or resale of a Unit acquired by the Council and from any leasing of any portion of the Common Elements, or from licensing agreements with respect to washers and dryers or private rooftop antennae.

Section 2. Assessments of Common Expenses.

- A. Council may from time to time, on a monthly, quarterly, semi-annual or annual basis, assess the Unit Owners for their share of estimated or actual Common Expenses according to the percentage of the undivided interest of each in the Common Elements as set forth in the Declaration and any amendments thereto. If the actual Common Expenses for any year are less than the total receipts from such year’s estimated assessments, the surplus shall be applied towards either the operating reserve or the expenses of the next ensuing year, as Council may elect; provided, however, that Council shall have the right to make distributions of the surplus to the Unit Owners according to percentage of the undivided interest of each in the Common Elements as set forth in the Declaration and any amendment thereto.
- B. Each Unit Owner shall pay to Council any assessment duly imposed upon such

Unit within fifteen (15) days from the due date for such assessment, as set forth in any previous written notice to the Unit Owners from the Council. All sums assessed by resolutions duly adopted by the Council against any Unit for the share of Common Expenses chargeable to that Unit shall constitute the personal liability of the owner of the Unit so assessed and shall, until fully paid, together with interest thereon at the legal rate, constitute a charge against such Unit which shall be enforceable as provided in Section 703 of the Act. The Unit Owner's liability for any assessments shall not be abated due to any interruption in his right to occupy his Unit or for any other reason whatsoever.

C. Any charge assessed against a Unit may be enforced by suite by the Council acting on behalf of the Unit Owners, in accordance with Section 703 of the Act. Any judgment against a Unit and its owner shall be enforceable in the same manner as is otherwise provided by law. Reasonable attorneys' fees incurred by Council incident to the Collection of any assessment or the enforcement of any lien, together with all sums advanced and paid by Council for taxes and payments on account of superior liens which may be required to be advanced by Council in order to protect its liens, shall be payable to the Unit Owner and secured by such lien.

D. In the event that title to a Unit is transferred by sheriff's sale pursuant to execution upon any lien against the Unit, the Council may give notice in writing to the sheriff of any unpaid assessments for Common Expenses which are a charge against the Unit but which have not been reduced to lien pursuant to Section 703 of the Act, and request the sheriff to pay the assessments of which he has such notice out of any proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay, but prior to any distribution of the balance to the former Unit Owner against whom the execution issues. The purchaser of the Unit at such sheriff's sale shall not be liable for unpaid assessments for Common Expenses which became due prior to the sheriff's sale of the Unit. Any such unpaid assessments which cannot be promptly collected from the former Unit Owner may be reassessed by the Council as a Common Expense to be collected from all the Unit Owners, including the purchaser who acquired title at the sheriff's sale. To protect its right to collect unpaid assessments which are a charge against a Unit, the Council may, on behalf of the Unit Owners, purchase the Unit at sheriff's sale, provided such action is authorized by the affirmative vote of a majority of the members of Council, and if it does so purchase the Unit, the Council shall thereafter have the power to sell, convey, mortgage or lease the Unit to any person whatsoever. Council may apply as a cash credit against its bid all sums due Council covered by the lien enforced. In case of such foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit during the foreclosure proceedings for such periods as said Unit Owner or anyone authorized by him resides therein.

- E. Upon the voluntary sale or conveyance of a Unit or any other transfer of a Unit by operation of law or otherwise, except a transfer described in Subsection D above, the transferee shall be jointly and severally liable with the transferor for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of the sale, conveyance or transfer, but such joint and several liability shall be without prejudice to the right of the transferee to recover from the transferor the amount of any such unpaid assessments which the transferee may pay. Until any such assessments are paid, they shall continue to be in a charge against the Unit which charge may be enforced in the manner set forth in Section 703 of the Act; provided, however, that any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the Treasurer setting forth the amount of unpaid assessments charged against the Unit and its owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon. Any such excess which cannot be promptly collected from the Unit Owner may be reassessed by the Council as a Common Expense to be collected from all of the Unit Owners, including the purchaser, without prejudice, however, to Council's rights of collection against the persons liable therefor.

Section 3. Personal Property. Title to any personal property from time to time held for the joint use and enjoyment of all Unit Owners, whether situate in the Common elements or elsewhere, shall be vested in all Unit Owners in accordance with their percentage interests. Council shall have power and duty on their behalf to purchase or otherwise acquire, hold less, mortgage, sell or otherwise deal in, and to insure, repair or replace the same as Council shall from time to time determine.

ARTICLE VII

LIENS AND MORTGAGES

Section 1. Notice to Council. A Unit owner who mortgages his Unit shall notify the Council through the Secretary of the Council of the name and address of the holder of any mortgage on his Unit and the amount of the loan secured by such mortgage.

Section 2. Protection of Property. All charges, claims, taxes or assessments against a Unit for which a lien could be filed against such Unit, except water and sewer rent and real estate taxes (which shall be paid and a receipt delivered five (5) days before interest or penalty attaches), shall be paid prior to the time any lien could attach. Unit Owners shall deliver to the Secretary copies of receipted bills therefore at least five (5) days before the same are due and payable without interest or penalty.

Section 3. Notice of Lien. A Unit Owner shall give notice to the Council of every lien upon his Unit, other than for Permitted Mortgages (as defined in Section 10 of the Declaration), real estate taxes, and water and sewer rents, within five (5) days after the attaching of the lien.

Section 4. Notice of Suit. A Unit Owner shall give notice to the Council of every suit or other proceedings which will or may affect title to his Unit or any other part of the Property, such notice to be given within five (5) days after the Unit Owner receives notice thereof.

ARTICLE VIII

MAINTENANCE AND ALTERATIONS

Section 1. Delegation by Council. The Council may enter into a contract with any firm, person or corporation, or may join with other condominium councils in contracting for maintenance and repair of the Property, and may contract for or may join with other condominium councils in contracting for the management of the Property, and may delegate to the contractor all the powers and duties of the Council and the Council officers, except such as are specifically required by the Declaration or by this Code to have the approval of the Council of the Unit Owners. the contractor or manager may be authorized to determine the budget, make assessments for Common Expenses and collect assessments, as provided in the Declaration and this Code, subject always to the supervision and right of approval of the Council.

Section 2. Common Elements. There shall be no alterations or additions to the Common Elements which shall exceed ten (10%) percent of the annual budget of the Condominium for Common Expenses, except as authorized by the Council and approved by a majority of the Unit Owners.

Section 3. Unit Owners. Each Unit Owner agrees as follows:

- A. To maintain in good condition and repair (and replace if necessary), his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings, and floors), whether or not part of the Unit or Common Elements, and to maintain and repair (and replace if necessary) the fixtures and equipment therein, and pay for such utilities as are separately metered to his Unit.
- B. Not to make or cause to be made any structural addition or alteration to his Unit or to the Common Elements, without prior consent of the Council and the Permitted Mortgagee holding a mortgage on his Unit.
- C. Not to make or cause to be made any alteration, decoration, repair, replacement or change of the Common Elements, or to any outside or exterior portion of the Building, whether within a Unit or part of the Common Elements and to use only

those contractors or subcontractors within his Unit approved by the Council.

- D. To permit the Council, or the agents or employees of the Council, to enter into any Unit for the purpose of maintenance, inspection, repair or replacement of the improvements within the Units, or the Common Elements, or to determine in case of emergency the circumstances threatening Units or the Common Elements, or to determine compliance with the provisions of the Declaration and this Code. In the event that actions of Council, its agents or employees, pursuant to the provisions of this Code, result in damage to a Unit, including the surface of the perimeter of the Unit, Council shall restore such surface to the condition immediately prior to Council's actions and repair any damage to the Unit caused by Council's actions.
- E. To show no signs, advertisements or notices of any type on the Common Elements or his Unit, and to erect no exterior antenna or aerials except as consented to by the Council.

Section 4. Enforcement. In the event the Unit Owner fails to maintain the unit as required herein, or makes any structural addition or alteration without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Council shall have the right to proceed to a Court of Equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Council shall have the right to levy an assessment against the Unit Owner and against the Unit for such necessary sums to remove any unauthorized structural addition or alteration, and to restore the Property to good condition and repair. Said assessment shall have the same force and effect as all other special assessments. The Council shall have the further right to have its employees and agents, or any subcontractor appointed by it, enter the Unit at all reasonable times, to do such work as is deemed necessary by the Council to enforce compliance with the provisions hereof.

Section 5. Exterior of Property. The Council shall determine the color scheme of the building, and all exteriors, and shall be responsible for the maintenance thereof, and no Unit Owner shall paint an exterior wall, door, window or balcony, or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Council. All window treatments shall appear white from the exterior of the Building.

Section 6. Balconies. Each Unit includes a balcony which shall be maintained and cleaned on a regular basis by the Unit Owner provided, however, structural elements of the balconies and leaks originating from defects in the structural elements of the balconies shall nevertheless be repaired by the Condominium Association as if the balconies were Common Elements. The Council shall determine in its sole discretion whether structural repairs are necessary.

Section 7. Other Maintenance. The Council shall be responsible for the maintenance, replacement and repair of the Common Elements and all portions of the Property not required to be maintained, repaired or replaced by the Unit Owner(s).

ARTICLE IX

INSURANCE

Section 1. Liability Insurance. Council shall obtain insurance covering liability for loss or damage to persons or property in such amounts, against such risks, with such deductibles and other features, and in such insurance companies as Council shall from time to time determine. All liability insurance shall contain severability of interest provisions to cover liabilities of the Unit Owners as a group to a Unit Owner. Premiums for the payment of such insurance shall be paid by the Council and charged as a Common Expense.

Section 2. Property Insurance. Council shall obtain fire and other insurance covering damage to the Property, insuring all of the insurable building standard improvements within the Property included in the original sales price for each Unit pursuant of the Agreements of Sale, no including personal property owned by the Unit Owners or improvements other than Building standard improvements and equipment, in and for the interest of the Council, all Unit Owners and their Permitted Mortgages, as their interest appear, in a company or companies acceptable to the Council in an amount equal to the maximum insurance replacement value, as determined annual by the Council. The premiums for such coverage and other expenses with said insurance shall be paid by the Council and charged as a Common Expense. The company or companies with which the Council shall place its insurance coverage, as provided in this Code, must be good and responsible companies, authorized to do business in the Commonwealth of Pennsylvania.

- A. Loss Payable Provisions- Insurance Trustee. All policies shall be purchased by the Council for the benefit of the Council, all Unit Owners and their Permitted Mortgagees, as their interest may appear; provided, however, the Insurance Trustee shall be named insured and it shall not be necessary to name the Council or the Unit Owners. Such policies shall be deposited with the Insurance Trustee (hereafter defined) who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, which may be any bank in Pennsylvania with trust powers, as may be approved by the Council, which trustee is herein referred to as the "Insurance Trustee". The Insurance Trustee shall not be liable for the payment of premiums, nor the renewal or sufficiency of policies, nor for the failure to collect any insurance proceeds, nor for the form or content of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purpose elsewhere stated herein and for the benefit of the Council, the Unit Owners and their respective Permitted Mortgages, in the following shares. Such shares need not be set forth upon the records of the Insurance Trustee:

- (1) Common Elements: In the event that proceeds on account of damage to Common Elements are received, the Insurance Trustee shall hold an undivided share for the Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.
 - (2) Condominium Units: In the event that proceeds on account of damage to Condominium Units are received, the Insurance Trustee shall hold such proceeds in the following undivided shares:
 - (a) In the event of partial destruction of a Unit or Units and Units are to be repaired and restored, the proceeds shall be held for the owners of the damaged Units in proportion to the cost of repairing the damage to each Unit according to the original plans and specifications for that Unit.
 - (b) In the event of substantially total destruction of the Property or in the event the damage occurs and the Condominium improvements are not to be restored, as provided hereinafter in the Article IX, the proceeds shall be held by the Insurance Trustee for the owners of all Units, each Unit Owner's share being in proportion to his share in the Common Elements appurtenant to his Unit.
- B. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners and expended or disbursed after first paying or making provision for the payment of the expenses of the Insurance Trustee in the following manner:
- (1) Reconstruction or Repair: If the damage for which the proceeds were paid is to be repaired and restored, the remaining proceeds shall be paid to defray the cost thereof, as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners in the shares provided above.
 - (2) Failure to Reconstruct or Repair: If it is determined in the manner elsewhere provided herein that the damage for which the proceeds are paid shall not be repaired or restored, the proceeds shall be disbursed to the beneficial owners in the shares provided above. In the event any personal property belonging to the Council determines not to replace such personal property, the proceeds may be retained by Council for use in fulfilling its duties hereunder.
 - (3) Certificate: In making distribution to beneficial owners, the Insurance Trustee may rely upon a certificate of the Council as to the names of the Unit Owners and their respective shares of the distribution, approved in

writing by an attorney authorized to practice law in the Commonwealth of Pennsylvania or a title insurance company or abstract company authorized to do business in the Commonwealth of Pennsylvania. Upon request of the Insurance Trustee, the Council forthwith shall deliver such certificate.

- C. Loss Within a Single Unit. If loss shall occur within a single Unit or Units, without damage to the Common Elements and/or the party wall between Units, the insurance proceeds shall be distributed to the beneficial Unit Owner(s). The Unit Owner shall thereupon be fully responsible for the restoration of the Unit.
- D. Less Than Substantially Total Destruction. If there is less than substantially total deconstruction and if there is no election not to repair or restore as provided in Section 802 of the Act, it shall be the obligation of the Council and the Unit Owners to repair the damage to the structural condition set forth in the original plans and specifications for the Property caused by the loss as follows:
- (1) The Council shall promptly obtain detailed estimates of the cost of repair and restoration.
 - (2) If the damage or loss is limited to the Common Elements or the party wall between Unit, with no damage or loss or minimum damage or loss to any individual Unit(s), and if such damage or loss to the Common Elements or the party wall between Units is less than twenty-five thousand dollars (\$25,000.00), the insurance proceeds shall be endorsed by the Insurance Trustee over to the Council and the Council shall promptly contract for the repair and restoration of the damage.
 - (3) If the damage or loss involves individual Units encumbered by Permitted Mortgages, as well as the Common Elements and/or the party wall between the Elements or the party wall between the Units, but is in excess of twenty-five thousand dollars (\$25,000.00), the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the Property, upon the written direction and approval of the Unit Owners. The Insurance Trustee may rely upon the certificate of the Council as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee, and execute any affidavit required by law or by the Council and Insurance Trustee, and deliver the same to the Insurance Trustee. The foregoing shall be in such form as any of the aforesaid parties may require.
 - (4) Subject to the foregoing, Council shall have the right and obligation to negotiate and contract for the repair and restoration of the Property.
 - (5) If the net proceeds of the insurance are insufficient for the estimated cost

of restoration and repair (or for the actual cost thereof in the work has actually been done), the Council shall promptly, upon determination of the deficiency, levy a special assessment against all Unit Owners in proportion to the Unit Owner's share in the Common Elements, for that portion of the deficiency which is attributable to the cost of restoration of the Common Elements and against the individual Unit Owners for that portion of the deficiency as is attributable to his individual Unit; provided, however, that if the Council finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to specific individual damaged Unit(s), then the Council shall levy the assessment for the total deficiency against those Unit Owners whose units have been damaged in proportion, inter se, to their respective shares in the Common Element. The special assessment funds shall be delivered by the Council to the Insured Trustee and added by the Trustee to the proceeds available for the repair and restoration of the Property.

(6) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient, but additional funds are raised by special assessment, so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgage shall have the right to require the application of insurance proceeds to the payment of its loan.

- E. Substantially Total Destruction. Should the Building suffer substantially total destruction or if seventy-five (75%) percent of the Unit Owners directly affected by such destruction duly resolve not to proceed with repair or restoration as provided by Section 802 of the Act, then the salvage value of the Property shall be subject to partition at the suite of any Unit Owner directly affected thereby. In that event the net proceeds of sale, together with the net proceeds of insurance policies held by the Council, if any, shall be considered as one fund and shall be divided among all the Unit Owners directly affected thereby in proportion to their respective undivided ownership of the Common Elements, after discharging, out of the respective shares of Unit Owners directly affected thereby, to the extent sufficient for the purpose, all liens against the Units of such Unit Owners. In the event any dispute shall arise as to whether or not substantially total destruction has occurred, such a finding made by the Council shall be binding upon all Unit Owners.
- F. Surplus. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from the insurance proceeds, and if there is a balance in the funds held by the Insurance Trustee after the payment of costs of the repair and restoration, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated herein.

- G. Certificate. The Insurance Trustee may rely upon a certificate of the Council, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Council shall forthwith deliver such certificate.
- H. Plans and Specifications. Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the Building was last constructed, or according to the plans approved by the Council. If any material or substantial change is contemplated, the approval of the Unit Owners shall also be required.
- I. Council's Power to Compromise Claim. The Council is hereby irrevocably appointed agent for each Unit Owner for the purpose of compromising and settling claims arising under insurance policies purchased by the Council and to execute and delivery releases therefore, upon the payment of claims.

Section 3. Workmen's Compensation Policy. Council shall obtain workmen's compensation insurance to meet the requirements of law, and the cost thereof shall be charged as a Common Expense.

Section 4. Other Insurance. Council may obtain such other insurance as the Council shall determine from time to time to be desirable, and the cost thereof shall be charged as a Common Expense.

Section 5. Unit Owner's Insurance. Each individual Unit Owner shall be responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within this own Unit, insurance upon his own personal property, living expense insurance and property insurance for improvements within his Unit which are not building standard improvements. All insurance must be obtained from an insurance company approved by Council.

Section 6. Miscellaneous Insurance Provision. All insurance shall be obtained in accordance with the following provisions:

- A. In no event shall the insurance coverage obtained and maintained by the Council be brought into contribution with insurance purchased by individual Unit Owners or their Permitted Mortgagees.
- B. Each Unit Owner may obtain additional insurance at his own expense; provided, however, that (i) such policy shall contain waivers of subrogation, and (ii) no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Council, on behalf of the Unit Owners, may realize under any insurance policy which the Council may have in force on the Property at any time.

- C. Each Unit Owner shall be required to notify the Council of all improvements made by him to his Unit, the value of which is in excess of \$2,000.00, so that the Council can cause the insurance coverage of the Property to be adjusted accordingly.
- D. Any Unit Owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such owner shall be required to file a copy of such individual policy or policies with the Council within thirty (30) days after purchase of such insurance.
- E. The Council shall be required to make every reasonable effort to secure insurance policies covering the Property that will provide for the following:
 - (1) A waiver of subrogation by the insurer as to any claims against the Council, Managing Agent, the Unit Owners and their respective servants, agents, guests, tenants and other occupants;
 - (2) The insurance policies issued to the Council on behalf of the Unit Owners and covering the Property cannot be canceled, invalidated or suspended on account of the conduct of any one or more Unit Owners and in no event can cancellation, invalidation or suspension for any reason be effected without at least thirty (30) days prior written notice to each Unit Owner;
 - (3) All policies covering the Property cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Council without a prior written demand that the Council cure the defect and without providing a reasonable period of time thereafter in which to cure the same;
 - (4) That any “no other insurance” clause in the Council’s insurance policies exclude the individual Unit Owner’s policies from consideration.

ARTICLE X

OBLIGATIONS OF THE OWNERS

Section 1. Liability. A Unit Owner shall be liable for the payment of the costs of any maintenance, repair, restoration or replacement of the Property or any personal property contained within the Common Elements made necessary by this act, omission, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Council. Such liability shall include any increase in any insurance rates occasioned by the use, misuse,

occupancy or abandonment of a Unit or its appurtenances. A Unit Owner shall also be liable for any loss or damage to real or personal property belonging to any person subject to the provisions of their Code cause by his act, omission, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such loss or damage is not met by the proceeds of insurance carried by such party; provided, however, that this latter release shall be in force and effect only with respect to loss or damage occurring during such time as the insured's policies covering such loss or damage shall contain a provision to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the insured to recover thereunder. Each person subject to the provisions to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the insured to recover thereunder. Each person subject to the provisions of this Code agrees to request his insurance carriers to include such a provision in its policies. If extra cost shall be charged therefor, such person shall advise Council thereof and Council may pay such cost and charge the same as a Common Expense. If Council does not pay such extra cost, such provision need not be obtained. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing person shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

Section 2. Internal Changes to Units. A Unit Owner shall not make structural modifications or alterations in his Unit or installations located therein without previously submitting plans and specifications therefor to Council and securing the Council's written approval through the President. In no event shall a Unit Owner do any work which would jeopardize the soundness or safety of the Property or impair any easement or hereditament without the unanimous consent of the Unit Owners affected thereby.

Section 3. Right of Entry.

- A. The Council and the duly authorized agents of the Council shall have an easement to enter any Unit to maintain, repair or replace the Common Elements, as well as to make repairs to Units if such repairs are reasonably necessary for public safety or to prevent damage to their Units or to the Common Elements.
- B. A Unit Owner shall permit other Unit Owners, or their representatives, when so required, to enter his Unit for the purpose of making installation, alterations or repairs to the plumbing, mechanical or electrical services to the permitted Owners' Unit, provided that requests for entry are made in advance and that such entry is at a reasonable time. In case of an emergency, such rights of entry shall be immediate and without notice.

Section 4. Rules of Conduct.

- A. The Common Elements shall be used for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

- B. No use or practice shall be permitted on the Property which is the source of annoyance to residents or which interferences with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit which will increase the rate of insurance upon the Property. No Unit Owner shall use or authorize use of the Common Elements which will increase the rate of insurance upon the Property. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modifications or repair of the Property shall be the same as the responsibility for the maintenance and repair of the Property concerned.
- C. Until the Declarant has completed and sold all of the Units, the Unit Owners and the Council shall not interfere with the completion of the contemplated improvements and the sale of the Units. The Declarant may make such use of the unsold Units and common areas as may facilitate such completion and sale, including, without limitation, the maintenance of a sales office, the showing of the Property and the display of signs.
- D. Reasonable rules and regulations concerning the use of the Property may be adopted and amended from time to time by the Council.
- E. No Unit Owners, resident or lessee shall make any installation on the exterior of the Property or which protrudes through the walls or the roof of the Property except as authorized by the Council.

ARTICLE XI

LIABILITY AND INDEMNIFICATION

Section 1. Liability of Members of the Council and Officers. The members of the Council and the officers and any assistant officers (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligent or otherwise, except for their own willful misconduct or gross negligence; (ii) shall have to personal liability contract to a Unit owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Council or Unit Owners in their capacity as such; (iii) 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 them, except for their own willful misconduct or gross negligence, or acts performed by them, in their capacity as such; and (iv) shall have no personal liability

arising out of the use, misuse or condition of the Property, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such.

Section 2. Indemnification by Unit Owners. The Unit Owners shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including counsel fees, incurred or imposed, or arising out or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Unit Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Council or an officer or assistant officer, other than to the extent that such liability or expense shall be attributable to his willful misconduct or gross negligence, provided, in the case of any settlement, that the Council shall have approved the settlement, which approval shall not be unreasonable withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Council, or otherwise. The indemnification by the Unit Owners set forth in this Section 2 of the Article XI shall be paid by the Council on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessable and collectible as such.

Section 3. Liabilities of Individual Unit Owners. The Unit Owners and any lessees or sublessees of a Unit shall be jointly and severally liable for liabilities arising out of their own conduct or arising out of the ownership, occupancy, use misuse or condition (except when the result of a condition affecting all or other parts of the Property) of that Unit.

Section 4. Language Concerning Liability in Agreements. Every agreement, deed, lease or other instrument entered into by the Council on behalf of the Unit Owners shall provide that the Council and officers or assistant officers executing the same are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except to the extent, if any, that they may also be Unit Owners at the time any such liability is assessed), that any claim by the other party or parties thereto with respect thereto or to the subject matter thereof shall be asserted against the Council, which shall act on behalf of the Unit Owners with respect thereto, and that any liability thereunder or with respect to the subject matters thereof shall be borne by those who are Unit Owners at the time such liability may be assessed by the Council as a Common Expense, for which assessment each such Unit Owner shall be liable only severally to the extent of his percentage interest.

Section 5, Costs of Suite in Actions Brought by One or More Unit Owners on Behalf of all Unit Owners. If any action is brought by one or more but less than all Unit Owners on behalf of all Unit Owners, and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a Common Expense; provided, however, that if such action is brought against all Unit Owners or otherwise against all other Unit Owners or against the Council, the officers, the assistant officers, employees or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if provided, be borne by all the Unit Owners, the plaintiff's expenses, including counsel fees, shall not be charged or borne by the other Unit Owners, as a Common Expense or otherwise.

Section 6. Notice of Suit and Opportunity to Defend. Complaints brought against all Unit Owners or the Council, or the officers, assistant officers, employees, or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the Council, which shall promptly give written notice thereof to the Unit Owners and the holders of any Permitted Mortgages and shall be defended by the Council, and the Unit Owners and such holders shall have no right to participate other than through the Council in such defense. Complaints against one or more but less than all Unit Owners or Units alleging liabilities covered by Section 3 of this Article XI shall be directed to such Unit Owners, who shall promptly give written notice thereof to the Council and to the holders of any Permitted Mortgages affecting such Units, and shall be defended by such Unit Owners.

ARTICLE XII

AMENDMENTS TO CODE OF REGULATIONS

Section 1. Adoption. The first members of Council shall establish and adopt the original Code of Regulations.

Section 2. Amendment. This Code may be amended by the Unit Owners in a duly constituted meeting called for such purpose, and no amendment shall take effect unless approved by Unit Owners representing at least a majority of the votes entitled to be cast at that meeting.

Section 3. Conflict. In the event of a conflict between the provisions of this Code and the Declaration, the Declaration shall prevail.

ARTICLE XIII

MISCELLANEOUS

Section 1. Eminent Domain. Whenever all or part of the Common Elements shall be taken, insured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceeding for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. After such determination, each Unit Owner shall be entitled to a share in the damages in the same proportion as his percentage interest in the Common Elements.

Section 2. Compliance. Each Unit Owner shall comply with this Code and with such rules and

Regulations governing the details of the use and operation of the Property and the use of the Common Elements as may be in effect from time to time, and with the covenants, conditions and restrictions set for the in the Declaration or in the deed to his Unit or in the Declaration Plan.

Section 3. Noncompliance. Failure to comply with this Code of Regulations and with such rules and regulations governing the details of the use and operation of the Property and the use of the Common Elements as may be in effect from time to time and with the covenants, conditions and restrictions set forth in the Declaration or in the deeds of Units or in the Declaration Plan shall be grounds for an action for the recovery of damages or for injunctive relief, or both, maintainable by any member of the Council on behalf of the Council or the Unit Owners, or in a proper case, by an aggrieved Unit Owner or by any person who holds a mortgage lien upon a Unit and is aggrieved by any such noncompliance.

Section 4. Limitation of Liability. Notwithstanding the duty of Council to maintain and repair parts of the Property, Council shall not be liable for injury or damage caused by the failure of Council to maintain or repair the same, except to the extent of the proceeds of insurance carried by the Council.

Section 5. Percentage Interest Adjustments. During the period when Council holds title to one or more Units: (i) the percentage interest of such Unit shall be deemed to be zero and the percentage interest of all other Units shall be deemed to be automatically adjusted to the nearest one-thousandth of one percent (0.00100%), so as to allocate the percentage interest of such Unit(s) among all other Units proportionately and to produce adjusted percentage interest for all other Units totaling 100% (ii) all assessments for Common Expenses and for taxes and municipal; claims and charges assessed against such Unit(s) shall be paid by Council, and the amounts so paid together with all other expenses of purchasing, holding, selling, conveying, mortgaging, leasing or otherwise dealing with the Unit shall constitute Common Expenses to be assessed against all other Unit Owners in accordance with such adjusted percentage interest; (iii) the voting rights appurtenant to such Unit(s) shall be suspended and may not be counted for quorum purposes; and (iv) no notice of any meetings of Unit Owners or notices of assessments, budgets or the like need be given with respect to such Unit(s). Council shall give all other Unit Owners prompt written notice of (a) each such purchase and the adjusted percentage interests resulting therefrom, and (b) any disposition of the Unit(s) so purchased and the resulting eliminations of such adjustment.

Section 6. Audits. Any Unit Owner may at any time, during normal business hours and upon five (5) days prior written notice to the President, at his own expense, cause an audit or inspection to be made of the Books and records of the Council.

ARTICLE XIV

COMPLIANCE

This Code is set forth to comply with the requirements of the Pennsylvania Unit Property Act, as amended from time to time. In case any of the provisions of this Code conflict with the provisions of the Act, it is hereby agreed that the provisions of the Act will apply.

ARTICLE XI

SEVERABILITY

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof, unless such deletion shall destroy the uniform plan from development and operation of the Property which the Declaration, the Declaration Plan, and this Code are intended to create.

ARTICLE XVI

EFFECTIVE DATE

This Code shall become effective when it, the Declaration and the Declaration Plan have been duly recorded.

Established and adopted by the First Members of Council this _____ day of _____, 19____.

Alan L. Ackerman

Joel H. Kranich

Leonard H. Rudolph

Mervin A. Snyder

