

CODE OF REGULATIONS GOVERNING THE
COTTINGHAM COURT CONDOMINIUM ASSOCIATION, INC.
A NONPROFIT CORPORATION
ORGANIZED UNDER THE LAWS OF PENNSYLVANIA

ARTICLE I

NAME AND LOCATION OF CORPORATION:

The name of this corporation is COTTINGHAM COURT CONDOMINIUM ASSOCIATION, INC. Its principal office is located in the Town of McCandless, Allegheny County, Pennsylvania.

ARTICLE II

PURPOSE:

The purpose of this corporation 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 provisions of the Unit Property Act of Pennsylvania, to be known as COTTINGHAM COURT, and as such to own and acquire any real estate or interest or rights therein or appurtenant thereto and any and all personal property in connection therewith as may be incidental or necessary to such purpose, all on a nonprofit basis consonant with the provisions of its Articles of Incorporation.

ARTICLE III

MEMBERSHIP:

Section 1. The members shall consist of all of the unit owners of that property located on Babcock Boulevard, Town of McCandless, Allegheny County, Pennsylvania, known as Cottingham Court, in accordance with the respective percentages of ownership of the said unit owners in the Common Elements of the said property. Such respective percentages of ownership shall be determined in accordance with the provisions of the Declaration, which Declaration and Declaration Plan have been recorded in the office of the Recorder of Deeds of Allegheny County, Pennsylvania, by which the said property has been submitted to the provisions of the Unit Property Act of the Commonwealth of Pennsylvania.

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 IV.

MEETINGS OF MEMBERS:

Section 1. Meetings of the membership shall be held at the property on Babcock Boulevard, Town of McCandless, Allegheny County, Pennsylvania, or at such other place in Allegheny County, Pennsylvania, as may be specified in the Notice of Meeting.

Section 2. One month after deeds of conveyance representing ninety (90%) percent of all Phases contemplated in common ownership shall have been recorded, the Developer shall notify all unit owners thereof, and the first annual meeting of the unit owners shall be held on the second Monday of January in the year following said notice. Thereafter, an annual meeting of the members shall be held 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 in each succeeding year. At such meeting there shall be elected by ballot of the members a Council in accordance with the provisions of Article V 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 (4/5) 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 regular mail, a Notice of each Annual or Special Meeting, stating the purpose, the time and the 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. The aggregate number of votes for all unit owners shall be one hundred (100) and shall be divided among the respective members in accordance with their respective percentages of ownership interest in the Common Elements. If any unit owner consists of more than one (1) person, the voting rights for such unit owner shall not be divided, but shall be exercised only as a unit. The Developer, as described in the Declaration, may exercise the voting rights with respect to any units, title to which is in the Developer.

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

With respect to all elections of members of Council, each unit owner shall be entitled to cast his votes on a cumulative voting basis.

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 V

COUNCIL:

Section 1. The affairs of the Association shall be governed by a Council. Until such time as deeds of conveyance have been recorded conveying sixty (60%) percent in common interest, and, thereafter, until 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

member of Council 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 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 corporation and shall have all powers and duties referred to in the Declaration and in the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, and may do all such acts and things provided by the Unit Property Act of the Commonwealth of Pennsylvania, 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 Developer;
- (d) To promulgate such rules and regulations concerning the operation and use of the Property or of the Common Elements 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 their respective shares of the estimated expenses as hereinafter provided.

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

Section 4. Vacancies on the Council 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 purpose.

Section 5. Annual Meetings of the Council shall be held at the call of a majority of the Council 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 on three (3) days' notice to each Member by mail or telegraph. Members 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 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 Member of Council may be removed from office by the vote of members owning at least three-fourths (3/4) of the ownership in the Common Elements.

Members of Council 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 the corporation to enter into any contract for a term of more than three (3) years except with the approval of a majority of the unit owners.

ARTICLE VI

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 Nonprofit Corporation, 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 event of the absence or 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 and have charge of the membership transfer books and such other books, papers and documents 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 by the members.

ARTICLE VII

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 incorporation. 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 principals and practices. Within a reasonable time after the close of each fiscal year, the Association shall furnish the members with a statement of the income and disbursements of the corporation for such prior fiscal year.

Section 3. With respect to each fiscal year, 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:

(a) Management and administration expenses;

(b) The estimate cost of repairs, maintenance and replacements of Common Elements;

(c) The cost of such utilities as may be furnished by the Association;

(d) The amount of such reserves as may be reasonably established by the Council, including general operating reserves, reserves for contingencies and reserves for replacements; and

(e) Such other expenses of the Association as may be approved by the Council including operating deficiencies, if any, for prior periods.

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

Within ninety (90) days from the commencement of each fiscal year, the Council shall cause an estimated annual budget to be prepared based on its estimations of annual expenses, nonmembership income and membership assessments, and copies of such budget shall be furnished to each member.

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 (1/12) 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.

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

If any member shall fail or refuse to make payment of his proportionate share of the common expenses when due, the amount thereof 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 Unit Property Act, the Declaration, or this Code of Regulations, or 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 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. The Council shall appoint from among the owners a three (3) man standing Committee to be known as the Judicial Committee. The Committee members shall serve for a maximum of one (1) year, and may not be reappointed. It shall be the responsibility of the Committee to hear all complaints brought before it by any owner as to the alleged violation of any condition, rule or regulation of ownership and use of Unit, Common Element or Limited Common Element by any other owner, spouse of owner, child of owner, or guest of owner. Upon receipt of a complaint in writing, the Committee shall establish a hearing time and place, to be scheduled within ten (10) days, but no sooner than five (5) days. The owner accused of such violation shall be notified in writing of the alleged complaint and the time and place of hearing by regular mail and be given at least three (3) days' notice of such hearing. At such hearing, at least two (2) members of the Committee must be in attendance. The Committee as a whole shall act as judicial officer and shall require testimony from any other owner or witness. The hearing shall be public. The Committee, after hearing all testimony, shall, if such violation has been factually verified, levy a special assessment upon the owner who violated, or whose spouse, child or guest violated the conditions, rule or regulation of the Association. The levy shall be no less than \$10 and no more than \$100, plus any amount of physical damage which resulted to the Common Elements as a result of the violation. Said special assessment shall be added to the treasury as part of the Common Elements. Said special assessment shall become a lien and have the same standing and effect as stated above in Section 3 with regard to the monthly assessment.

Any owner aggrieved by this Section shall have the right of appeal from the decision of the Committee to the American Arbitration Association whose decision shall be final and binding upon all parties hereto.

Section 6. With the respect to any units which have not been sold by the Developer and which the Developer continues to own, the Developer shall pay to the Association only its prorated 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 Developer, multiplied by such operating expenses for the period in which such expenses were incurred; provided that, in no event shall the Developer be required to pay an amount in excess of the aggregate of the assessments established with respect to those units owned by the Developer and provided further that, within two (2) years of the date of completion of all units, the Developer shall pay a monthly assessment with respect to any units owned by the Developer 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 Developer shall have the right to utilize any units owned by the Developer 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 Developer may reasonably require, said right to include the erection of signs.

ARTICLE VIII

INDEMNIFICATION:

Section 1. The Corporation shall reimburse or indemnify each member of Council, officer and employee of the Association (and of any other corporation or association which he served at the request 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 (whether brought by or in the name of this Association or such other corporation or association or otherwise) 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 member of Council, 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 (i) in respect of any action by or in the right of the Association or such other association, such person was not negligent or guilty of misconduct to the Association or such other corporation, and (ii) in respect of all other actions such person acted in good faith in what he reasonably believed to be in the best interests of this Association or such other

corporation or association, and in addition, in any criminal action, had no reasonable cause to believe that his conduct was 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, and 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 member of Council, 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 (i) by the Council, acting by a quorum consisting of two or more members of the Association other than those involved in the action, or (ii) 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 member of Council, officer,

employee or agent of the Association, or is or was serving at the request of the Association as a member of Council, 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 IX

AMENDMENTS:

This Code of Regulations may be amended or modified at any time, or from time to time, by the action or approval of a majority of the unit owners; except the regulations affecting the rights or interests of the Developer shall not be amended or modified without the written consent of the Developer.

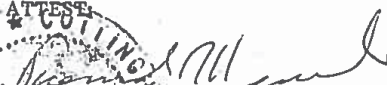

The within Code of Regulations is adopted by appropriate action of the Members of Council of the Cottingham Court Condominium Association, Inc., and the COTTINGHAM COURT, INC., Corporation, this 21st day of June, 1979.

ATTEST:


Secretary

COTTINGHAM COURT
CONDOMINIUM ASSOCIATION, INC.

By: 
President

ATTEST:

Secretary


COTTINGHAM COURT, INC.

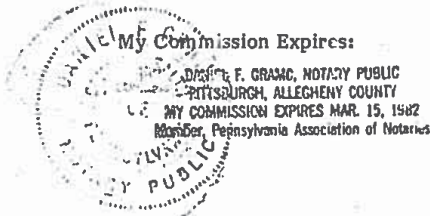
By: 
President

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

On this 1st day of JUNE, 1979, before me, the undersigned authority, personally appeared RONALD R. HEURICH, who acknowledged himself to be the PRESIDENT of COTTINGHAM COURT, INC., a Pennsylvania corporation, and that he as such PRESIDENT, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as PRESIDENT.

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

Daniel F. Grams
Notary Public

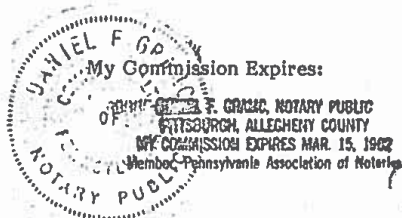


COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

On this 21st day of JUNE, 1979, before me, the undersigned authority, personally appeared RONALD R. HEURICH, who acknowledged himself to be the PRESIDENT of COTTINGHAM COURT CONDOMINIUM ASSOCIATION, INC., a Pennsylvania corporation, and that he as such PRESIDENT, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as PRESIDENT.

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

Daniel F. Grams
Notary Public



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CONDOMINIUM ASSOCIATION, INC.
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J.W. [Signature]

Adopted: June 21, 1979

Robert W. Beilstein, Esquire
LAW OFFICES

GOEHRING, RUTTER & BOEHM

324 FRICK BUILDING
PITTSBURGH, PA. 15219

X

STATE OF PENNSYLVANIA } S.S.
COUNTY OF ALLEGHENY }

RECORDED IN THE OFFICE FOR THE RECORDING OF
DEEDS, ETC. IN AND FOR THE SAID COUNTY, ON THIS 26th DAY
OF June A.D. 19 79 IN Deed
BOOK VOL. 6124 PAGE 460 WITNESS MY HAND AND SEAL
OF SAID OFFICE, THE DAY AND YEAR AFORESAID.

John J. [Signature]

RECORDER

