

**CLUBHOUSE CONDOMINIUM ASSOCIATION**

6-1-01

BYLAWS  
OF  
CLUBHOUSE CONDOMINIUM ASSOCIATION

ARTICLE I  
INTRODUCTION

1.1 Applicability. These Bylaws provide for the governance of the Clubhouse Condominium Association (the "Association"). The real estate located in the Township of Elizabeth, County of Allegheny and Commonwealth of Pennsylvania, and more particularly described in the Declaration, dated May 1, 2001 and all amendments thereto (the "Declaration") has been submitted to the provisions of the Unit Property Act by the recording of the Declaration in the Recorder's Office of Allegheny County, Pennsylvania, in Deed Book Volume 11359, page 128.

1.2 Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration or, if not defined therein, the meanings specified or used for such terms in the Uniform Condominium Act, 68 Pa. C.S.A. Section 3101 et seq. (the "Act").

1.3 Compliance. Every Unit Owner and all those entitled to occupy a Unit shall comply with these Bylaws.

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

ARTICLE II  
THE ASSOCIATION

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

2.2 Annual Meetings. The annual meetings of the Association shall be held on or before April 1 of each year, said date to be established by the Executive Board. At such annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.4 of these Bylaws and such other business as may properly come before the meeting may be transacted.

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

2.4 Special Meetings.

a. The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least one hundred (100%) percent of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within forty-five (45) days after receipt by the Secretary of said resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure, such meeting shall be held within fifteen (15) days after receipt by the Secretary of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

b. On a day within sixty (60) days after conveyance of the one hundred (100%) percent of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which two members of the Executive Board designated by the Declarant shall resign, and the Unit Owners, excluding the Declarant as a Unit Owner, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning. The successor receiving the highest number of votes shall serve for three (3) years and the successor receiving the next highest number of votes shall serve for two (2) years.

c. On a day within sixty (60) days preceding the date by which all Declarant-appointed members of the Executive Board must resign pursuant to Article XIX of the Declaration, a special meeting of the Association shall be held at which all of the remaining members of the Executive Board designated by the Declarant shall resign and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning. The successor receiving the highest number of votes shall serve for three (3) years, the next highest number of votes for two (2) years and the next highest number of votes for one (1) year.

d. If any meeting required pursuant to subparagraphs b and c above can be held on the date of the annual meeting, then such meeting shall be held concurrently with such annual meeting.

2.5 Notice of Meetings. The Secretary shall mail to each Unit Owner a notice of each annual or regularly scheduled meeting of the Association at least twenty (20) but not more than sixty (60) days, and of each special meeting of the Unit Owners at least ten (10) but not more than forty-five (45) days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this Section and Section 8.1 of the Bylaws shall be considered service of notice.

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

2.7 Voting. Voting at all meetings of the Association shall be on a percentage basis and the percentages of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration. If more than one person owns a Unit, the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 3310(a) of the Uniform Condominium Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Wherever the approval or disapproval of a Unit Owner is required by the Act, the applicable provisions of the Uniform Condominium Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Declaration or these Bylaws, the approval of owners of more than fifty (50%) percent of the aggregate Percentage Interests in the Condominium, voting in person or by proxy at one time at a duly convened meeting at which a quorum is present ("Majority of the Unit Owners"), is required to adopt decisions at any meeting of the association. Any specified percentage of the Unit Owners means the Unit Owners owning such Percentage Interests in the aggregate. In all elections for Executive Board members, the Unit Owner shall be entitled to cast votes equal to the Percentage Interest owned by such Unit Owner for each vacant seat to be filled on the Executive Board. Those nominees receiving the greatest number of votes shall be elected and, if nominees are being elected for unequal terms, the nominees receiving the highest number of votes shall be elected to the longest terms. Except as set forth in Section 2.4b above, if the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

2.8 Proxies. A vote may be cast in person or by proxy. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a Mortgagee or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantors of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

2.9 Quorum. Except as otherwise provided in these Bylaws, the presence in person or proxy of Unit Owners of one hundred (100%) percent or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed to be present throughout any meeting if persons entitled to cast ten (10%) percent of the votes of the Association are present in person or by proxy at the beginning of the meeting.

2.10 Conduct of Meeting. The President (or in his absence, any vice-president) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereafter. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

2.11. Inspection of Documents. Copies of the Declaration, Bylaws and Rules and Regulations, and all amendments thereto, and the books and records and financial statements of the Association shall be kept in the office of the Condominium and shall be available upon request for inspection during normal business hours by Unit Owners and Permitted Mortgagees.

### ARTICLE III EXECUTIVE BOARD

3.1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of three (3) persons, all of whom shall be Unit Owners or designees of the Declarant. The Declarant shall have the right in its sole discretion to replace such Directors as may be so designated by the Declarant, and to designate their successors.

3.2. Powers and Duties. The Executive Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Act, the Declaration or by these Bylaws to

be exercised and done by the Association. The Executive Board shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and regulations shall not be in conflict with the Act, the applicable provisions of the Uniform Condominium Act, the Declaration or these Bylaws. The Executive Board shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Executive Board on such matters relating to the duties of the Managing Agent (as defined in Section 3.3), if any, which may arise between meetings of the Executive Board as the Executive Board deems appropriate.

The following are supplements and restrictions with respect to the duties and powers of the Executive Board:

a. The Executive Board shall keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers evidencing the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Executive Board for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Executive Board who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

b. The Executive Board shall acquire and maintain insurance for the operation and protection of the Common Elements and Units as required in accordance with the Declaration.

c. The Executive Board shall notify a Permitted Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage in the event such default continues for a period exceeding sixty (60) days.

d. The Executive Board may borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements; provided, however, that (i) the consent of at least two in number and one hundred (100%) percent in Percentage Interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of \$2,000.00. If any sum borrowed by the Executive Board on behalf of the Condominium pursuant to the authority contained in this subparagraph "d" is not repaid by the Association, a Unit Owner who pays to the creditor such proportions thereof as his Percentage Interest bears to the total Percentage Interests in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such

creditor shall have filed or shall have the right to file against such Unit Owner's Condominium Unit.

e. The Executive Board may do such other things and acts not inconsistent with the Act, the applicable provisions of the Uniform Condominium Act, the Declaration or these Bylaws which the Executive Board may be authorized to do by a resolution of the Association.

3.3 Managing Agent. The Executive Board may employ for the Condominium a "Managing Agent" at a compensation established by the Executive Board.

a. Duties. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, when a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws with the exception the following powers which must be exercised by the Executive Board:

- (1) to adopt the annual budget, any amendment thereto, and to assess any Common Expenses;
- (2) to adopt, repeal or amend Rules and Regulations and these By-Laws;
- (3) to designate signatories on Association bank accounts;
- (4) to borrow money on behalf of the Association;
- (5) to acquire and mortgage Units;
- (6) to designate Reserved Common Elements;
- (7) to allocate Limited Common Elements.

The Managing Agent, if any, shall perform the obligations, duties and services relating to management of the Property, the rights of Permitted Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

c. Standards. The Executive Board shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Executive Board:

- (1) the accrual method of accounting shall be employed;

(2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

(3) cash accounts of the Association shall not be commingled with any other accounts;

(4) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;

(5) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly in the Executive Board; and

(6) a monthly financial report shall be prepared for the Unit Owners Association disclosing:

(a) all income and disbursement activity for the preceding month;

(b) the status of all accounts in an "actual" as compared to "projected" (budget) format; and

(c) any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves of five (5%) percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts).

d. Limitations. During the period when persons designated by the Declarant constitute a majority of the Executive Board, the Executive Board may employ any Managing Agent. Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty days' written notice and without cause on no more than ninety (90) days' written notice. The term of any such contract may not exceed one (1) year.

### 3.4 Election and Term of Office.

a. At the annual meeting of the Association, subject to Article XIX of the Declaration, the term of office of members of the Executive Board to be elected (except as set forth in Section 2.4b and 2.4c above) shall be fixed at three (3) years. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

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

(1) Any Unit Owner may submit to the Secretary at least thirty (30) days before the meeting at which the election is to be held a nominating petition signed by Unit Owners owning at least four Units in the aggregate, together with a statement that the person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting; or

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

3.5. Removal or Resignation of Members of the Executive Board. Except with respect to members designated by Declarant, at any regular or special meeting duly called, any one or more of the members of the Executive Board may be removed with or without cause by vote of a majority of the Unit Owners and a successor may immediately be elected to fill the vacancy thus created. Any Unit Owner proposing the removal of a Board Member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least seven (7) days' notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit.

3.6 Vacancies. Except as set forth in Section 3.1 above with respect to members appointed by the Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced and until a successor shall be elected at an annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor. In the case of multiple vacancies, the members receiving the greatest number of votes shall be elected for the longest term.

3.7 Organization Meeting. The first meeting of the Executive Board following the annual meeting of the Association shall be held within twenty (20) days thereafter at such time and place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting if a majority of the Executive Board members shall be present at such meeting.

3.8 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least once every six (6) months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telegraph, at least ten (10) business days prior to the day named for such meeting.

3.9 Special Meetings. Special meetings of the Executive Board may be called by the President on three (3) business days' notice to each member, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on: like notice on the written request of at least two (2) members of the Executive Board.

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

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

3.12 Fidelity Bonds. As required by the Declaration, fidelity bonds may be obtained for all officers, members of the Executive Board and employees of the Association, including without limitation the Managing Agent, handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

3.13 Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties.

3.14 Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of

all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board when not in conflict with the Declaration, these Bylaws or the Act.

3.15 Action without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent or consents shall be filed with the minutes of the proceedings of the Executive Board.

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

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

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

3.17 Inclusion of Interested Executive Board Members in the Quorum. Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.16 hereof.

#### ARTICLE IV OFFICERS

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

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

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

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

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

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

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

4.8 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$2,000.00 shall be executed by the President or Vice President and the Secretary, Treasurer, Assistant Secretary or Assistant-Treasurer, if any. All such instruments for expenditures or obligations of \$2,000.00 or less may be executed only by the President or Vice President.

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

## ARTICLE V COMMON EXPENSES

5.1 Fiscal Year. The fiscal year of the Association shall be January 1 through December 31 unless otherwise determined by the Executive Board; provided, however, that the first fiscal year may begin anytime and end the next December 31.

5.2 Preparation and Approval of Budget.

5.2.1 On or before the first day of November of each year (or sixty (60) days before the beginning of the fiscal year), the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units which are the responsibility of the Executive Board to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that are Common Expenses and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The budget shall segregate General Common Expenses and Limited Expenses.

5.2.2 On or before the next succeeding November 1 (or fifty-five days before the beginning of the fiscal year if the fiscal year), the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owner's Monthly Assessments for General Common Expenses and Limited Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 5.8 below.

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

### 5.3 Assessment and Payment of Common Expenses.

5.3.1 General Common Expenses. The Executive Board shall calculate the Monthly Assessments for General Common Expenses against each Unit by multiplying (a) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any Limited Expenses and income expected to be received from sources other than Common Expense assessments and the operation of the Limited Common Elements to which the Limited Expenses pertain, by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been Adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Uniform Condominium Act and the Declaration. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to General Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests effective during the preceding fiscal year, with the share of Units created within such year to be prorated based upon the date of title transfer to a Unit or sixty (60) days after completion of a Unit, whichever event shall first occur, and shall be payable in one or more monthly assessments, as the Executive Board may determine.

5.3.2 Limited Expenses. The Executive Board shall calculate the monthly assessments for Limited Expenses against each Unit obligated to pay Limited Expenses by multiplying (a) the total amount of the estimated funds required for Limited Expenses set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from the operation of the Limited Common Elements to which the Limited Expenses pertain other than Limited Expense Assessments by (b) the share of Limited Expenses (expressed in decimal form) allocated to each such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Uniform Condominium Act and the Declaration. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Limited Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the

Unit Owners obligated to pay Limited Expenses in accordance with their allocable share of Limited Expenses and shall be payable in one or more monthly assessments, as the Executive Board may determine.

5.3.3 Reserves. The Executive Board shall establish and maintain reasonable reserves for working capital, operations, contingencies and replacements. At the time of settlement of each Unit, the Declarant shall collect from each Unit Owner an amount equal to two (2) monthly installments of the assessment in effect at the time of settlement and shall remit such amount to the Executive Board for placement in the reserve account. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including nonpayment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expenses and/or Limited Expenses, which shall be assessed against the Unit Owners either according to their respective Percentage Interests with regard to General Common Expenses or in accordance with allocable shares of Limited Expenses with regard to Limited Expenses (whichever is appropriate), and shall be payable in one or more monthly assessments as the Executive Board may determine.

5.4 Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.3.1, 5.3.2, or 5.3.3 or otherwise as permitted or required by the Act, the Declaration and these Bylaws on all Unit Owners by a statement in writing giving the amount and reasons therefore, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten (10) days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as provided in the Uniform Condominium Act as of the effective date as set forth in the preceding Sections 5.3.1 and 5.3.2.

5.5 Initial Budget. At or prior to the time the Executive Board determines to begin assessments, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date assessments are to begin and ending on the last day of the fiscal year in which such determination occurs. Assessments shall be levied and become a lien against the Units during such periods as provided in Section 5.3.1 and 5.3.2 above.

5.6 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until notice of the monthly assessment which is due more than ten (10) days after such new annual or adjusted budget shall have been delivered.

5.7 Accounts; Audits. All sums collected by the Executive Board with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices and the same shall be audited at least once a year by an independent accountant retained by the Executive Board. Audited financial statements shall be provided upon request to Permitted Mortgagees.

5.8 Rejection of Budget; Limitations on Expenditures and Borrowing. Anything herein to the contrary notwithstanding, the Association, by majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board, within thirty (30) days after approval by the Executive Board. The power of the Executive Board to expend funds, incur expenses or borrow money on behalf of the Association is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds (2/3) of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws shall be required (i) to expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than five (5%) percent of such aggregate amount after taking into account any projected increases in income, and (ii) to borrow money so that loans of the Association then outstanding would exceed five (5%) percent of such aggregate amount.

5.9 Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefore; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five (5) days following a written request therefore to the Executive Board or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, each Mortgagee who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such Mortgagee comes into possession thereof. The Mortgagee or its successors or assigns, will be liable for assessments occurring after acquiring title or taking possession of the Unit including such assessments or charges resulting from a Pro rata real location of such assessments or charges to all Units including the mortgaged Unit.

5.10 Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take a prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment not paid within five (5) days after due shall accrue a late charge in the amount of five (5%) percent of the overdue assessment in addition to interest at the rate of fifteen (15%) percent per annum or such other rate as may be determined by the Executive Board.

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

## ARTICLE VI COMPLIANCE AND DEFAULT

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

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

b. Costs and Attorneys Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

c. No Waiver of Rights. The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Rules and Regulations, the Act or any applicable provision of the Uniform Condominium Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any term, provision,

covenant or condition of the Declaration, these Bylaws, the Rules and Regulations, the Act or any applicable provision of the Uniform Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, the Rules and Regulations or the Act or at law or in equity.

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

## ARTICLE VII AMENDMENTS

7.1 Amendments to Bylaws. These Bylaws may be modified or amended only by vote of a majority of Unit Owners, except as otherwise expressly set forth herein or in the Act; provided, however, that until the date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to Article XIX of the Declaration, (i) Section 2.2, (ii) Section 2.4, (iii) Article 3, and (iv) this Section 7.1 may not be amended without the consent in writing of the Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or the Federal Housing Administration with respect to condominium projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

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

7.3 Amendments to the Declaration. The President or Vice President and Secretary or Treasurer of the Association may prepare, execute and record amendments to the Declaration on behalf of the Association which amendments have been adopted in accordance with the provisions hereof.

ARTICLE VIII  
MISCELLANEOUS


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

8.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and do not define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

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

THESE BYLAWS were adopted this 1st day of May, 2001.

  
Michael Sulava

  
Barbara Sulava



May 29 02 10 859 i

DEED REGISTRY  
02 JUN 14 AM 11:30  
COUNTY OF ALLEGHENY

I CERTIFY THIS DOCUMENT RECORDED ALLEGHENY COUNTY, PA

2002 MAY 29 PM 3:34

✓

BYLAWS OF CLUBHOUSE CONDOMINIUM ASSOCIATION

*Walter McDonald Roberts*  
WALTER McDONALD ROBERTS

D 53.570  
NL 536

MAIL TO:

Joseph DiPaolo, Esquire  
DiPaolo & Russo  
1106 Fifth Avenue  
Pittsburgh, PA 15219

DBV 11359 PG 127

6/1/01

DECLARATION OF CONDOMINIUM  
OF  
CLUBHOUSE CONDOMINIUMS

THIS DECLARATION made this 1st day of May, 2001, by **MICHAEL SULAVA** and **BARBARA SULAVA**, individually, hereinafter called the Declarant, for themselves, their heirs, successors, grantees and assigns.

WITNESSETH THAT:

ARTICLE I  
SUBMISSION

1.1 Name; County; Description: A1 Michael Sulava and Barbara Sulava, husband and wife, individually, as owners in fee simple of the real estate described in Exhibit "A" attached hereto, located in the Township of Elizabeth, County of Allegheny and Commonwealth of Pennsylvania, hereby submit the real estate, together with the buildings and improvements erected thereon and the easements, rights and appurtenances thereto (collectively hereinafter referred to as the "Condominium Property" or the "Property") to the provisions of the Uniform Condominium Act, 68 Pa. C.S.A. § 3101 et. seq. (hereinafter referred to as the "Act").

(a) The name by which this Property has been and is to be identified is CLUBHOUSE CONDOMINIUMS, herein called the "Condominium".

(b) The "Property" owned by the Declarant in fee simple, which was submitted to the condominium form of ownership, consists of all that certain lot or piece of ground situate in the Borough of Sewickley, County of Allegheny and Commonwealth of Pennsylvania, being more particularly described in Exhibit "A", attached hereto and made a part hereof.

(c) The Property consists or will consist of the Units, Common Elements and Limited Common Elements as shown on the Declaration Plans described in Section 3 hereof. The said Common Elements and Limited Common Elements are also referred to as "Common Use Area" and "Limited Common Use Area". Whenever the term "Common Use Area" is used, whether herein or in the Declaration Plans, it shall be deemed to be Common Elements. Whenever the term "Limited Common Use Area" is used, whether herein or in the Declaration Plans, it shall be deemed to be Limited Common Elements. The ownership of each Unit, together with its proportionate undivided interest in the Common Elements and Limited Common Elements is for all purposes the ownership of real property. The Property designated on the Declaration Plan is described on Exhibit "A", shall contain two (2) Units.

## ARTICLE II DEFINITIONS

2.1 Terms Defined: The following terms, when used herein, and in the Plats and Plans shall have the meanings set forth below:

(a) "Building" or "Buildings" means any building or buildings on the Real Estate.

(b) "General Common Expenses" means Common Expenses excluding Limited Expenses.

(c) "Limited Common Elements" means the Limited Common elements as defined in the Act and the parking spaces appurtenant to a Unit and all other designated items, all as shown on the Plats and Plans.

(d) "Limited Expenses" means the Common Expenses described as such in Section 3314(c) of the Act as modified by Article VI of this Declaration.

## ARTICLE III DECLARATION PLANS

3.1 Declaration Plans: The Property consists of Units, Common Elements and Limited Common Elements shown on Declaration Plats and Plans (the "Declaration Plans") certified by Sheffler and Company, Inc., Registered Engineers. Each Unit is identified on Declaration Plans by the Unit designation assigned, and the Declaration Plans are to be recorded in the office of the Recorder of Deeds of Allegheny County, Pennsylvania, concurrently with the recordation of this Declaration. This Declaration and the Declaration Plans may be amended by filing such additional plans as may be required to describe adequately the completion of improvements. Such completion may be shown by a certificate of an engineer or surveyor certifying that the improvements have been constructed substantially as herein represented or designating any changes made. Such Plans or Certificate, when signed and acknowledged by the Declarant, shall in themselves constitute an amendment of this Declaration and the Declaration Plans, notwithstanding the procedures for amendment described elsewhere in this Declaration, provided that the amendment conforms with the requirements of the Act.

## ARTICLE IV BUILDINGS; UNITS; BOUNDARIES

4.1 Description of Units, Unit Designation: Each Unit is identified on the Declaration Plan by a specific numerical designation. The units will be side by side triplex type units and are numbered Unit A, Unit B and Unit C.

4.2 Plats and Plans; Units/Common Elements: The location and dimensions of the Buildings and the other structures and Improvements comprising the Property are shown on the Plats recorded herewith, as are the location of Units, Common Elements and Limited Common Elements of the Condominium. The dimensions of the Units, Common Elements, and Limited Common Elements are shown on the Plans recorded herewith.

4.3 Unit Boundaries: Each Unit consists of space within the following boundaries:

(a) Upper and Lower (Horizontal) Boundaries: The upper and lower boundaries of each Unit shall be the following boundaries extended to an intersection with the vertical boundaries:

(1) The Upper Boundary of a Unit is the horizontal plane of the underside surface of the plywood roof sheathing.

(2) The Lower Boundary of a Unit is the horizontal plane of the bottom surface of the unfinished concrete floor slab.

(b) Vertical Boundaries: The vertical boundaries of the Unit shall be the vertical planes, extended to intersections with each other and with the upper and lower boundaries, of the inside surface of the exterior walls which do not separate the Unit from any other Unit, and the back-side surface of the party walls which separate the Unit from other Units. Both the exterior and interior surface of all windows and sidelights shall be included within the Unit boundaries.

(c) All portions of the Property located within the Unit boundaries, including (by way of illustration and not limitation) the following, are a part of the Unit:

(1) The airspace enclosed within the Unit boundaries.

(2) All partitions and walls which are wholly contained within the Unit boundary lines, including, without limitation, door frames, hardware, electrical outlets and wiring, telephone outlets and conduits, and other items and devices in such partitions (except to the extent otherwise expressly provided herein).

(3) All glass, including the interior and exterior surfaces thereof, including that which is set in sash in the exterior walls of the Units. The outside window sills (except the Unit-side surface of such window sills) are part of the Unit.

(4) Both sides of all doors opening into Limited Common Elements or Common Elements.

(5) All paint, wall covering, ceiling covering, floor covering, drywall, wall board and similar materials and substances inside the Unit or covering portions of the Unit as described above.

(6) All plumbing fixtures, and their water and waste connections, which serve only such Unit.

(7) Bathroom and kitchen exhaust grilles and registers which serve only that Unit.

(8) All items of kitchen equipment, and their water, waste, gas and electrical connections, which serve only the Unit and which are located within the Unit.

(9) Lighting devices, including, by way of illustration and not limitation, lamps and bulbs which are surface mounted on, recessed in, or suspended from ceilings, walls and partitions within or on the perimeter of such Unit, provided such lighting devices are themselves located within the boundaries of such Unit.

(10) Wires, cables, conduits, circuits and related equipment transmitting electricity for lighting and power or transmitting electrical signals (except to the extent otherwise specifically provided herein), which serve only such Unit.

(11) Telephone and television outlets, wires, cables and conduits serving only such Unit, whether or not such telephone outlets, wires, cables and conduits are located entirely within the boundaries of such Unit.

ARTICLE V  
COMMON ELEMENTS, PERCENTAGE OWNERSHIP INTEREST  
OF UNIT OWNERS, VOTING, AND ASSESSMENTS

5.1 Common Elements, Percentage Interest of Owners: The Common Elements shall mean and include the Real Estate not designated as Limited Common Elements, the air space above the Buildings and said Real Estate, the Party wall and fence, and those portions of the Building which are not included within the title lines of any Unit and which are not made part of a Unit pursuant to Article IV hereinabove, and which portions are not designated as Limited Common Elements.

5.2 The Percentage Interest in the Common Elements in fee simple appurtenant to each Unit shall be as set forth in Exhibit "B" annexed hereto and, except as otherwise provided herein such percentage shall not be altered.

5.3 Voting. Voting at all meetings of the Association shall be on a percentage basis and the percentages of the vote to which each Unit Owner is

entitled shall be the Percentage Interest in the Common Elements assigned to his Unit in the Declaration.

5.4 Common Expenses. Each Unit Owner shall be liable for a share of the Common Expenses (defined as expenditures made or liabilities incurred by or on behalf of the Association as defined in Article XX hereof, including allocations to reserves), equal to the Percentage Interest in the Common Elements appurtenant to such Unit which Common Expense shall include, inter alia:

(a) Expenses of administration, maintenance, repair and replacement of the Common Elements;

(b) Expenses agreed upon as common by all the Unit Owners; and

(c) Expenses declared common by the provisions of this Declaration; and

(d) Insurance premiums for any insurance coverage as required hereby and such payments shall be held in a separate escrow account of the Association and used solely for the payment of the insurance premiums as such premiums become due.

5.5 Expenses associated with Limited Common Elements: Any expense associated with the maintenance, repair or replacement of a Limited Common Element, including but not limited to driveways and balconies, shall be treated as and paid for as a Unit expense meaning that the Unit Owner who is served by the Limited Common Element needing repair shall be responsible to pay for said maintenance, repair or replacement.

5.6 Monthly Assessments: All Common Expense assessments ("Monthly Assessments") shall be deemed to be adopted and assessed on a monthly basis (not an annual basis, payable in monthly installments) and shall be due and payable in advance, on the first day of each month. Special Assessments (as hereinafter defined) shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board. Liability for Monthly Assessments shall commence upon conveyance of the Unit by: the Declarant; provided, however, the Declarant shall be liable only for actual costs incurred for each Unit, e.g. utility costs and proportionate share of maintenance cost until such Unit is conveyed.

5.7 Subordination of Monthly Assessments and Special Assessments: Monthly Assessments, Special Assessments (as hereinafter defined), fees, charges, late charges, fines and interest which may be levied by the Executive Board shall be subordinate to the first mortgage lien of a Permitted Mortgage on a Unit in excess of amounts given priority or mortgage liens in the Act.

5.8 Limitation on Expenditures: All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements, and any other expenses, charges or costs which the Executive Board may incur or expend pursuant hereto, shall be approved by the Executive Board, and a written memorandum thereof prepared and signed by the treasurer. There shall be no structural alterations, capital additions to, or capital improvements on, the Common Elements (other than for purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Twenty-Five Thousand (\$25,000.00) Dollars without the prior approval of all of the Unit Owners.

5.9 Reserve: Each annual budget for Monthly Assessments of Common Expenses shall include an amount reasonably considered by the Executive Board to be sufficient as a reserve for replacements and contingencies. To initiate such reserve, the Declarant shall collect from each of the Unit Owners, at time of settlement, an amount equal to two (2) monthly installments of the monthly assessment in effect at the time of such settlement and shall remit such amount to the Executive Board. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserve, as the Executive Board shall determine. In addition, the Executive Board shall have the right to segregate all or any portion of the reserve for any specific replacement or contingency upon such conditions as the Executive Board deems appropriate.

5.10 Accounting: On or before the 15th day of March following the close of each fiscal year, commencing March 15, 2002, the Executive Board shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding fiscal year actually incurred and paid together with a tabulation of the amounts collected pursuant to the annual budget of monthly assessments and leases and sales of property owned or managed by the Executive Board on behalf of the Association, and showing the net excess or deficit of income over expenditures plus reserves.

5.11 Further Assessments: If any annual budget proves inadequate for any reason, including nonpayment of any Unit Owner's Monthly Assessments, or any non-recurring Common Expense or any Common Expense not set forth in the annual budget as adopted, the Executive Board may at any time levy further monthly assessments ("Special Assessments") according to each Unit Owner's Percentage Interest in the Common Elements as to General Common Expenses and according to each Unit Owner's interest in the Limited Common Elements allocated to Units as to Limited Expenses. Such Special Assessments shall be payable over such period of time as the Board may determine. The Executive Board shall serve notice of such special Assessments on all Unit Owners by a statement in writing giving the amount and reasons there for, which Special Assessments shall become effective as determined by the Executive Board.

5.12 Surplus: The budget of the Association shall segregate Limited Expenses from Common Expenses. Any amounts accumulated from assessments for

Limited Expenses and income from the operation of Limited Common Elements to which such Limited Expenses pertain in excess of the amount required for actual Limited Expenses and reserves for future Limited Expenses shall be credited to each Unit Owner paying a share of such Limited Expenses in proportion to the share of such Limited Expenses paid by each such Unit Owner, said credits to be applied to the next monthly assessments of Limited Expenses due from said Unit Owners, until exhausted. Any amounts accumulated from assessments for Common Expenses and income from the operation of the Common Elements to which such Common Expenses pertain in excess of the amount required for actual Common Expenses and reserves for future Common Expenses shall be credited to each Unit Owner in proportion to each Unit Owner's Percentage Interest in the Common Elements, said credits to be applied to the next Monthly Assessments of Common Expenses due from said Unit Owners, until exhausted.

5.13 Acceleration: If a Unit Owner is in default in the payment of the aforesaid Monthly Assessments or Special Assessments for sixty (60) days, the Executive Board may, in addition to all other remedies at law or in the Declaration contained, accelerate all other Monthly Assessments to become due for the fiscal year in which such default occurs; provided, however, a foreclosing Permitted Mortgagee shall be entitled to automatic subordination of such assessments in excess of the amounts given priority over mortgage liens in the Act.

5.14 Late charges, Interest and Fees: Each unit Owner shall pay a late charge in the amount of Five Dollars (\$5.00) for the payment of any assessment paid after the tenth (10th) day following the date on which such assessment was due. All sums assessed by the Executive Board against any Unit Owner as a regular or special assessment shall bear interest thereon at twelve percent 12 per annum from the tenth (10th) day following default in payment of any monthly assessment when due. Any delinquent Owner shall also be obligated to pay (i) all expenses of the Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessments by legal proceedings or otherwise, and (ii) any amounts paid by the Board for taxes or on account of superior liens or otherwise to protect its liens, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessments and shall be collectible as such, subject to Paragraph 5.6 above.

5.15 Limited Common Elements: The Limited Common Elements/Limited Common Use Areas as designated on the Declaration Plan by backslashing will serve Units A, B and C only. These Limited Common Elements include, but are not limited to, the roof over Unit 410, the porch in front and rear, steps, driveway, yard in the front and rear and side yard.

ARTICLE VI  
MAINTENANCE RESPONSIBILITIES

6.1 The Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of Section 3307 of the Act, i.e., the Association shall assess the Unit Owners and shall maintain and repair all Common Elements, while the Unit Owner shall be responsible for the maintenance, repair, and replacement of all items comprising such Unit Owner's Unit and the Limited Common Elements serving said Unit, except as expressly set forth to the contrary herein. All expenses associated with the maintenance, repair and replacement of a Limited Common Element which expenses are to be treated and paid for as a Limited Expense pursuant to Section 5.5 shall be assessed as Limited Expenses against the Unit to which such Limited Common Element was assigned at the time the expense was incurred in the same proportions as the respective Percentage Interest of all such units in such Limited Common Element.

6.2 Additional Responsibilities of Unit Owners: No Unit Owner shall do or cause to be done any work affecting his Unit which would jeopardize the soundness or safety of the Property, reduce the value thereof, or impair any easement or hereditament therein. It shall be the responsibility of each Unit Owner: (i) to maintain, repair or replace, at his own expense, all portions of his Unit which may cause injury or damage to the other Units or to the Common Elements; (ii) to maintain the interior surfaces of all walls, ceilings and floors within the Unit and otherwise to keep the Unit and all alterations, improvements, fixtures, and personalty therein in good order, condition and repair; (iii) to refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the Common Elements without first obtaining the consent, in writing, of the Executive Board; (iv) to refrain from repairing, altering, replacing, painting, decorating or changing the exterior appendages, whether or not exclusively used by the Unit Owner, without obtaining the written consent of the Executive Board; and (v) to maintain the exterior of the Unit and Limited Common Elements, including the exterior walls and the roof, in the same color and texture.

ARTICLE VII  
WITHDRAWABLE AND CONVERTIBLE REAL ESTATE:

Article VII is intentionally omitted.

ARTICLE VIII  
EASEMENTS

8.1 Easements:

(a) The Units, Limited Common Elements and Common Elements shall be, and are hereby made subject to, easements in favor of the appropriate utility companies for such utility services as are desirable or necessary to adequately serve the Property and all appurtenances thereto, including, without limitation, the right to install, lay, maintain, repair, relocate and replace water mains and pipes, sewer and drain lines, telephone wires and equipment, cable television, and electrical wires and conduits and associated equipment over, under, through, along and on the Property.

(b) The Common Elements shall be, and are hereby made subject to, an easement in favor of the Unit Owners and their invitees, tenants and servants, the Executive Board and the agents and employees of the Executive Board for the purpose of ingress, egress and regress (i) of pedestrian traffic on, over, through and across sidewalks as the same may from time to time exist, and (ii) of pedestrian and vehicular traffic on, over, through and across such portions of the Common Elements as may be from time to time paved and intended for such purposes.

(c) The Common Elements and Limited Common Elements shall be and are hereby made subject to the following easements (in addition to any other easements set forth in this Declaration) in favor of the Unit or Units benefited thereby:

(i) For the installation, repair, maintenance, use removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling or wall adjacent to a Unit which is part of the Common Elements; provided, that the installation, repair, maintenance, use, removal or replacement of such fixtures, receptacles and the like will not unreasonably interfere With any part of the Common Elements or impair or structurally weaken a portion of any Buildings; and

(ii) For driving and removing nails, screws and bolts from the Unit-side surface of the walls of a Unit into the portion of such walls which are part of the Common Elements; provided that such action will not unreasonably interfere with the use of any part of the Common Elements or impair or structurally weaken any Buildings; and

(iii) For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are a part of a Unit or the Limited Common Elements and which pass across or through a portion of the Common Elements.

(iv) An easement for the installation, repair, maintenance, use, removal and/or replacement of a sanitary sewer line which runs under the Building.

(d) To the extent necessary, each Unit shall have an easement for structural support over the Common Elements and over every other Unit in the Building, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building and the Common Elements.

(e) The Units shall be and are hereby made subject to the following easements:

(i) In favor of the Executive Board or its designee, for inspection of the Units for the purpose of verifying of performance by Unit Owners of all items of maintenance and repair for which they are responsible, for inspection of the condition of the Limited Common Elements and Common Elements situated in or accessible from such Unit, for correction of emergency conditions in each Unit or casualties to such Limited Common Elements, Common Elements and/or Unit, for repairing, replacing and improving Limited Common Elements and Common Elements therein or elsewhere in any Building, to abate any violation of law, orders, rules or regulations of any governmental authorities having jurisdiction, to correct any condition which violates the provisions of any mortgage and for such other purpose as may be reasonably required to carry out its duties, it being understood and agreed that the Executive Board and its agents shall take reasonable steps to minimize any interference with a Unit Owner's use of his Unit resulting from the Executive Board's exercise of the foregoing rights pursuant to this Section or any other provision of this Declaration; and

(ii) In favor of the Common Elements benefited, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of a Unit or Units.

(f) If a Unit or Units shall encroach upon any Common Element or upon any other Unit by reason of original construction or a cause other than the purposeful or negligent act or omission of the Unit Owner, then an easement appurtenant to such encroaching Unit, to the extent of such encroachment, shall exist for so long as such encroachment shall exist. If any Common Element shall encroach upon any Unit by reason of original construction or a cause other than the purposeful or negligent act or omission of the Executive Board, then an easement appurtenant to such Common Elements, to the extent of such encroachment, shall exist for so long as such encroachment shall exist. In the event any Building or Buildings are partially or totally destroyed, and then rebuilt, encroachment upon the Common Elements and/or Units, as and to the extent described above, shall be

permitted, and a valid easement for said encroachments and the maintenance thereof shall exist for so long as such encroachment continues to exist.

(g) All easements and rights described and mentioned in this Declaration are easements appurtenant, running with the Real Estate, Units, Limited Common Elements and Common Elements, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon Declarant, its successors and assigns, the Executive Board, and Unit Owner, purchaser, mortgagee and any other person having an interest in said Real Estate, Units, Common Elements, Limited Common Elements or any portion thereof.

(h) The Units, the Limited Common Elements and the Common Elements shall be, and are hereby made subject to easements in favor of Declarant or its designee to come upon the Real Estate to install pipes, ducts, electrical wiring and all other utility lines and tie into and use any and all present easements and utilities on the Real Estate in favor of other property owned by the Declarant or its designee and including herein the right specifically, but without limiting the generality of the above, of the Declarant or its designee, to use and tie into the gas, sewer, electric, cable television, water and storm sewer lines presently or soon to be on the Real Estate herein described.

(i) Other easements and rights of way of record affecting the Condominium Property are listed on Exhibit "C" attached hereto.

(j) The Common Elements and Limited Common Elements shall be, and are hereby made subject to, an easement in favor of the Declarant for all purposes relating to the construction, development, leasing and sale of improvements on any or all of the portion of the Condominium Property. This easement shall include, without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities and the erection and maintenance of direction or promotional signs.

(k) The Common Elements and Limited Common Elements shall be and are hereby made subject to an easement in favor of the Executive Board, or its designee, for all items of maintenance and repair for which it or the Association is responsible. Further, the Executive Board shall have the right to grant permits, licenses and easements over the Common Elements as reasonably necessary.

ARTICLE IX  
GENERAL PROVISIONS

9.1 General Provisions:

(a) Utilities: Unless obtained by the Executive Board and designated as a Common Expense, all services furnished by any utility company or the municipality or township to any Unit Owner shall be charged to and paid by the Unit Owner receiving such services. Separate meters have been furnished for all Units to measure consumption of utility services.

(b) Assessments and Taxes: Each Unit and its proportionate undivided interest in the Common Elements as determined by this Declaration and any amendments thereof shall be assessed and taxed for all purposes as a separate parcel of real estate and each Unit Owner is charged with the payment of all such taxes, municipal claims and liens assessed, liened or filed against his Unit.

(c) No Partition of Common Elements: There shall be no partition of the Common Elements through judicial proceedings or otherwise until this Declaration is terminated and the Property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership; provided, however, that if any Unit shall be owned by two or more co-owners as tenants in common or as joint tenants, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of said Unit ownership as between such co-owners.

(d) No Severance of Ownership: The undivided interest in the Common Elements may not be separated from the Unit to which such interest pertains and shall be deemed to be conveyed, leased, or encumbered with the Unit even though such interest is not expressly referred to in the deed, lease, mortgage or other instrument.

(e) Incorporation by Reference: Reference in the respective deeds of conveyance of any Unit or in any mortgage or other evidence of obligation secured by any Unit to the easements and rights as set forth and described in this Declaration shall be sufficient to create and reserve such easements and rights to the Declarant, its successors, or assigns, and to the respective grantees and mortgagees of such Units as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

ARTICLE X  
RESTRICTIONS

10.1 Use and Occupancy of Units and Common Elements: The Units and Common Elements shall be occupied and used as follows (subject to further

restrictions that may be set forth in the Bylaws or the Rules and Regulations as referred to in the Bylaws):

(a) No part of the Real Estate shall be used for other than housing and the related common purposes for which the Real Estate was designed. Each Unit shall be used only as a residence for a single family unit. Unrelated individuals may reside in the same Unit only if all unrelated individuals are owners or tenants, with no more than two (2) such individuals occupying each bedroom. In any event, individuals must be twenty-one (21) years of age or older to own a unit. Visitation of non-residents shall be limited to ninety (90) days per calendar year. No Unit shall be rented for any period less than six (6) months, provided that subsequent lease terms to the same tenant may be no less than thirty (30) days. No portion of the Unit (less than the entire Unit) may be leased for any period. All leases must be written and must provide that failure to comply with the Condominium Documents and the Rules and Regulations constitutes a default under the Lease. If zoning regulations permit professional activities to be conducted within the Units, application may be made by a Unit Owner to the Executive Board for approval to commence such newly permitted use of his. Unit. Each such application shall be considered by the Executive Board on an individual basis. Once the Executive Board has given its approval to a particular use of a Unit, it may not revoke such approval so long as the nature and scope of the approved use remains unchanged. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

(b) Except as set forth in subparagraph (a) above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained or permitted on any part of the Real Estate. Except for a single small, non-illuminated name sign on the door of a Unit, or a "For Sale" or "For Rent" sign to be posted in the window inside the Unit no larger than 24" x 18", no signs, advertising or other displays shall be maintained or permitted on any part of the Real Estate except at such location and in such form as shall be determined by the Executive Board. The right is reserved by the Declarant or its agent or agents, to place "For Sale" or "For Rent" signs in front of or in proximity to any Building containing any unsold or unoccupied Units, and on any part of the Common Elements, and the right is hereby given to any Permitted Mortgagee, who may become the Owner of any Unit, to place such signs in any Unit owned by such Permitted Mortgagee.

(c) There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Executive Board except as herein expressly provided.

(d) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Real Estate, or contents thereof, applicable for residential use, without the prior written consent of the Executive Board,

which consent may be conditioned upon the Unit Owner of such Unit being required to bear the full amount of such increase. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will violate any law, statute, ordinance or regulation of any governmental body or which will result in the cancellation of any insurance maintained by the Executive Board. No waste shall be committed in the Common Elements.

(e) Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building.

(f) No animals, other than common domestic animals, livestock, fowl or poultry of any kind shall be raised, bred, or kept in any Unit, the Limited Common Elements, or in the Common Elements.

(g) No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(h) No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(i) No benches, chairs or other personal property shall be left on, nor shall any playing, lounging, playpens, bicycles, wagons, toys or vehicles be permitted on any part of the Common Elements without the prior consent of, and subject to any regulations of, the Executive Board.

(j) No Unit Owner shall overload the electric wiring in the Buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Executive Board, an unreasonable disturbance to others. Nor shall any Unit Owner connect any machine, appliance, accessory or equipment, other than a washer and/or dryer, to the heating system or plumbing system, without the prior written consent of the Executive Board. Installation, removal, reconstruction or repair of any electrical lighting and power circuit or electrical outlet box or terminals device included in such outlet box, or any item of heating or air conditioning equipment, any of which is located within an interior portion of a Unit, may be undertaken by the Unit Owner of such Unit only after application has been made to and written approval has been received from the Executive Board. Such approval shall be granted only if the work performed shall be of similar or superior quality to that present throughout the Buildings and shall be performed by qualified personnel. The cost of such Installation, removal, reconstruction or repair, whether undertaken by a Unit Owner or by the Executive Board (under the same procedures utilized for Common Elements), shall be borne by the Unit Owner of the Unit benefited thereby.

(k) No Unit Owner may erect on any of the Limited Common Elements or Common Elements any antennae, radio or television transmitting or receiving device, such as a satellite dish.

(l) No Unit Owner may park or store in their Unit, or in or on any Common Elements of the Condominium, or in any drives or roadways in the Condominium Property any motorcycles, dirt bikes, recreational vehicles, tractor trailers, large commercial trucks or boats or boat trailers.

(m) This Article X shall not be construed to prevent or prohibit a Unit Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls or conferring with business or professional associates, clients or customers, in his Unit.

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

## ARTICLE XI PERMITTED MORTGAGES

### 11.1 Mortgages:

(a) A Unit Owner may voluntarily encumber or subject his Unit to any first mortgage lien of (i) a first mortgage to a bank, trust company, bank and trust company, savings bank, savings and loan association, building and loan association, mortgage banking association or corporation, insurance company, pension fund or like institutional investor, or other government mortgage corporation or association, or (ii) a purchase money mortgage to Declarant, or (iii) a purchase money mortgage to the seller of a Condominium Unit (any of such mortgages being sometimes referred to herein as "Permitted Mortgages" and the holders, insurers and guarantors of any such mortgages being sometimes referred to herein as "Permitted Mortgagees") In any event, such mortgage and the obligation secured thereby shall provide that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of this Declaration. A mortgagee shall have no right to (a) participate in the adjustment of losses with insurers or in the decision as to whether or not to repair or restore damage to or destruction of the Property, (b) receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent of a distribution thereof to Unit Owners pursuant to Section 3312 of the Act, or (c) accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged waste or other conditions

occurring anywhere on the Property other than within the affected Unit, and the obligation secured shall be prepayable, without penalty, upon the happening of any termination as aforesaid. No Permitted Mortgagee, as the term is defined in this Declaration, will be considered a Unit Owner by reason of holding such mortgage but only in the event legal title is, in fact, vested in such mortgagee.

(b) The holders of Permitted Mortgages, shall be entitled on written request to receive from the Executive Board a written statement of any delinquent assessments or other defaults by the Unit Owner, copies of any notices of default sent to the Unit Owner and copies of budgets and financial reports sent to the Unit Owner. Permitted Mortgagees shall be permitted to examine on request, the current Declaration, By-Laws, rules and regulations, and records and financial statements of the Executive Board during regular business hours at the Executive Board's office.

(c) When the holder of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Unit as a result of foreclosure of the first mortgage, or by deed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit prior to the date on which title is so acquired.

## ARTICLE XII RIGHTS OF MORTGAGEES

12.1 Rights of Mortgagees: The holder of a Permitted Mortgage, upon written request to the Executive Board, which request shall state the name and address of such Permitted Mortgagee, shall be entitled to timely written notice of:

(a) Any proposed amendment of the Condominium Declaration effecting a change in (i) the boundaries of any Unit or the exclusive Limited Common Elements appertaining thereto; (ii) the interests in the Common Elements or Limited Common Elements appertaining to any Unit; (iii) the liability for Common Expenses appertaining to any Unit; (iv) the number of votes in the Association appertaining to any Unit; (v) the purposes to which any Unit or the Common Elements or Limited Common Elements are restricted; excepting from the foregoing, however, amendments in the ordinary course of converting Convertible Real Estate into Units or Limited Common Elements, or the withdrawal of Withdrawable Real Estate; and

(b) Any proposed termination of the Condominium; and

(c) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage by such Permitted Mortgagees; and

(d) Any delinquency in the payment of assessments or charges owed by the owner of a Unit subject to the mortgage of such Permitted Mortgagee, when such delinquency has continued for a period of sixty (60) days; and

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

12.2 To the extent permitted by applicable law, Permitted Mortgagees shall also be afforded the following rights:

(i) Any restoration or repair of the Condominium, after partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the Plans and Specifications, unless other action is approved by Permitted Mortgagees holding mortgages on units having at least fifty-one (51%) percent of the votes of the Units subject to Permitted Mortgages;

(ii) Except when the formula for real location of the percentage interest and the Common Elements appurtenant to each Unit after partial condemnation or partial destruction of the Condominium is fixed by applicable law, no real location of interest in the Common Elements resulting from partial condemnation or partial destruction of the Condominium may be effective without the prior approval of Permitted Mortgagees holding mortgages on all remaining Units, whether existing in whole or in part, and which have at least fifty-one (51) percent of the votes of such remaining Units subject to Permitted Mortgages;

(iii) In the event that a professional management firm has been previously required by any Permitted Mortgagee or eligible insurer or guarantor, any decision to establish self management by the Association shall require the prior consent of the Unit Owners to which at least fifty-one (51%) percent of the votes in the Association are allocated and the approval of Permitted Mortgagees on the Units having at least fifty-one (51%) percent of the votes of the total number of Units subject to Permitted Mortgages.

### ARTICLE XIII COMPLIANCE WITH CONDOMINIUM DOCUMENTS

13.1 Compliance and Default: Each Unit Owner shall be governed by and shall comply with the terms of this Declaration, the Bylaws and rules and regulations as promulgated by the Executive Board. Failure of the Unit Owner to comply therewith shall entitle the Executive Board or other Unit Owners to the following relief in addition to other remedies provided in this Declaration and the Act.

(a) Suits: Failure to comply with the terms of this Declaration, the Bylaws and the Rules and Regulations adopted pursuant thereto, and said documents and Rules and Regulations as they may be amended from time to time, shall entitle

the Executive Board or an aggrieved Unit Owner to sue for such sums as it may be damaged or to sue for injunctive relief or both. Such relief shall not be exclusive of other remedies available at law or in equity.

(b) **Costs and Attorney's Fees:** In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Declaration, the Bylaws and Rules and Regulations adopted pursuant thereto, and said documents and Rules and Regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorney's fees; provided, no attorney's fees may be recovered against the Executive Board in any such action unless the Court first expressly finds that the Executive Board acted in bad faith.

(c) **No Waiver of Rights:** The failure of the Declarant, or the Executive Board, or any Unit Owner to enforce any applicable covenant, restriction or other provisions of the Act, the Act, this Declaration, the Bylaws, or the Rules and Regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

#### ARTICLE XIV AMENDMENTS

14.1 Subject to the other provisions of this Declaration relative to amendment, particularly with respect to Withdrawable and Convertible Real Estate, this Declaration and the Declaration Plans may be amended in the following manner:

(a) **Notice:** Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) **Resolution:** An amendment may be proposed by either the Executive Board or by fifty (50%) percent of the Unit Owners. A resolution adopting a proposed amendment must bear the approval of one hundred (100%) of the Unit Owners. Owners not present at the meetings considering the amendment may express their approval, in writing, or by proxy, given before such meeting or within the calendar month following the month in which such meeting was held.

(c) **agreement:** In the alternative, an amendment may be made by an agreement signed and acknowledged by sixty-seven (67%) percent of the record owners of the Units in the Condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the public records of Allegheny County, Pennsylvania.

(d) **Proviso:** Provided, however, that no amendment shall discriminate against any Unit Owner nor against any Unit or class or group of Units unless the Unit Owners and Permitted Mortgagees so affected shall consent; no amendment

shall change any Unit nor the percentage share in the Common Elements or Limited Common Elements, and any other of its appurtenances nor increase the owner's share of the Common Expenses unless the owner of the Unit concerned and the holders of a Permitted Mortgage thereon shall join in the execution of the amendment; and, further, no amendment shall materially amend any provisions of this Declaration, or add any material provisions hereto, without the approval of the holders of Permitted Mortgages of at least fifty-one (51) percent of the Units which are subject to Permitted Mortgages, which amendment establishes, provides for, governs or regulates any of the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the Common Elements; (iv) insurance or fidelity bonds; (v) rights to the use of Common Elements; (vi) responsibility for maintenance and repair of the Common Elements, the Limited Common Elements and Units; (vii) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium; (viii) boundaries of any Unit; (ix) the interests in the Limited Common Elements; (x) convertibility of Units into Common Elements or of Common Elements into Units; (xi) leasing of the Units; (xii) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his Unit; (xiii) any provisions which are for the express benefit of Permitted Mortgagees or eligible insurers or guarantors of Permitted Mortgages on the Units. Notwithstanding the provisions of Article XVIII hereof, the Condominium may not be terminated for any reason other than substantial destruction or condemnation of the Condominium Property, without the approval of holders of Permitted Mortgages of at least fifty-one (51%) percent of the Units which are subject to Permitted Mortgages. No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers, and options of the Declarant unless the Declarant shall join in the execution of such amendment. Notwithstanding the foregoing, the Declarant reserves the right to change the location, interior design, and arrangement of all Units and to alter the boundaries between Units as well as to combine Units so long as Declarant owns all the Units so changed or altered. Such changes or alterations shall be reflected by an Amendment to this Declaration and the Declaration Plans, and said Amendment need only be executed by Declarant and the holders of any Permitted Mortgages on said Units. If more than one Unit is concerned, the percentage interests of the Units affected shall be duly apportioned. If, in the judgment of the Executive Board, any amendment is necessary to cure any ambiguity or to correct or supplement any provision of the Declaration, or the Plats and Plans which is ineffective or inconsistent with any other provision hereof or thereof or with the Act, or applicable provisions of the Act, or to change, correct or supplement anything appearing or failing to appear in the Plat and Plans which is incorrect, defective or similarly inconsistent, or if any such amendment is necessary to conform to the then current requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or the Federal Housing Administration with respect to condominium projects, the Executive Board may effect an appropriate corrective amendment without the approval of Unit Owners or the Permitted Mortgagees upon its receipt of an opinion from independent counsel that the proposed amendment is permitted by the terms of this sentence, together with a like opinion

from an independent registered architect or licensed professional engineer in the case of any such amendment to the Declaration Plans. Each such amendment shall be effective upon the recording thereof in the Recorder's office of Allegheny County, or any successor thereto, of an appropriate instrument setting forth the amendment and its adoption, duly executed and acknowledged by the appropriate officer of the Executive Board.

(e) Execution and Recording: A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Executive Board with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the public records of Allegheny County, Pennsylvania.

## ARTICLE XV INSURANCE

15.1 Generally: The Executive Board shall acquire and pay for insurance as required by the Act in addition to such insurance as the Executive Board deems advisable in the operation and the protection of the Common Elements and the Units subject to the following:

(a) The Executive Board shall have the authority to and shall obtain fire and extended coverage insurance in the form of a master blanket policy insuring the Property, including the Units and Common Elements, against loss or damage by fire or such other hazards as are covered under standard "all risk" endorsements. Unit and Common Element coverage shall include structures, equipment, fixtures, machinery, improvements and alterations, constituting a part of the building or structure to which such property is affixed, whether or not such property is installed by the Declarant, the Association or the Unit Owner, and whether or not such property is owned by the Declarant, the Association or the Unit Owner; personal property of the insured used for the maintenance or service of the Condominium; outdoor fixtures; and refrigerators, air-conditioners, cooking ranges, dishwashers, clothes washers and dryers contained within the Units and owned by the named insured or Unit Owner; wall-to-wall carpeting; all while the foregoing are at the property. The total amount of such insurance shall be equal to one hundred (100%) percent of the current replacement value of the insured property, without deduction for depreciation, but in no event shall be less than the aggregate principal amount of all Permitted Mortgages. Such insurance policy(ies) may, at the option of the Board, contain a "deductible" provision in an amount determined by the Board but not to exceed Five Thousand (\$5,000.00) Dollars. The insurance coverage shall be written in the name of the Association and the proceeds thereof shall be payable to the Association or to the Executive Board as Trustee for the Unit Owners. A standard mortgagee endorsement shall be issued to the holder of the first mortgage on each Unit.

(b) Each Unit Owner and the Executive Board hereby waives and releases any and all claims which he or it may have against any other Unit Owner, the Association, the Executive Board and members thereof, the Declarant and their respective employees and agents, for damage to the Common Elements, the Units, Or to any personal property located in the Units or Common Elements, caused by fire or other casualty or any act or omission of any such party to the extent that such damage is covered by fire or other form of hazard insurance.

(c) If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Executive Board, to the extent such payment is not waived or released under the provisions of subparagraph "b" above.

(d) Any release or waiver referred to in subparagraphs "b" and "c" hereof shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder. The Unit Owners and the Executive Board, with regard to the insurance carried by each of them, shall use their best efforts to see that their insurance carriers agree that such release or waiver does not affect their rights to recover.

(e) At least once every three (3) years, but more frequently if in the Board's judgment the Property is rapidly appreciating in value, the Board may cause an appraisal or request a statement of value from an insurance representative of the Property to be made for the purpose of determining the current full insurable replacement value of the insured property, without considering depreciation, and the Board shall change the amount of property insurance on the Property to the amount of the then current full insurable replacement value of the Property as established by such appraisal, provided that such insurance shall not be decreased below the aggregate principal amount of all Permitted Mortgages.

(f) Each Unit Owner, other than the Declarant, shall notify the Board in writing of any additions, alterations or improvements to his Unit and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure so to notify the Association. The Board shall use its reasonable efforts to obtain insurance on any such additions, alterations or improvements if such Unit Owner requests it to do and if such Unit Owner shall make arrangements satisfactory to the Board to reimburse it for any additional premiums attributable thereto; and in the absence of insurance on such additions, alterations or improvements, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.

(g) Comprehensive public liability and property damage insurance as required by the Act shall be in such limits as the Board shall deem desirable provided that such limit shall not be less than One Million (\$1,000,000.00) Dollars per occurrence, for personal injury and/or property damage, insuring the Association, the Board members, the managing agent, if any, and their respective agents and employees, and the Unit Owners from any liability to the public or to the Unit Owners, their tenants or invitees, relating in any way to the ownership and/or use of the Property or any part thereof.

(h) The Board may obtain such other forms of insurance as the Board shall elect, including Board members and officers liability insurance and such Workmen's Compensation insurance as may be necessary to comply with applicable laws.

(i) The Board may obtain a fidelity bond or bonds or insurance to protect against dishonest acts on the part of the Board members, officers, agents, employees, volunteers and all others who handle, or are responsible for handling, funds of the Association. Such bond or bonds or insurance shall name the Association as an obligee or insured and shall be in an amount equal to 150% of the then current Common Expense budget or such higher amount as the Board deems appropriate, but not less than three (3) months' aggregate assessments plus a reasonable Replacement Reserve as defined in the Bylaws. Such bond or bonds or insurance shall contain a waiver of defense based upon the exclusion of persons who serve without compensation from the definitions of "employee" or other appropriate provisions to assure coverage of such persons.

(j) Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Board, fees and expenses of the insurance trustee, if any, and the cost of any appraisal which the Board deems advisable in connection with any insurance, shall be Common Expenses. Such payments shall be held in a separate escrow account of the Association and used solely for the payment of the insurance premiums as such premiums become due. Such policies shall include a provision that coverage will not be terminated without thirty (30) days' prior written notice to the Association and Mortgagee of each Unit; if applicable.

(k) The Board shall use its best efforts to secure policies providing that the policies cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual Unit Owners or any officer or employee of the Board or managing agent, if any, without a prior demand in writing that the Board or managing agent, as the case may be, cure the defect and without a reasonable period of time thereafter to which to cure the same.

(l) All deductible amounts payable with respect to the master blanket policy for the Units and Common Elements secured by the Association in accordance with subparagraph (a) hereof shall be the responsibility of the Unit Owners of the Units affected by such damage or injury, or if the damage or injury is to

the Common Elements, such deductible amount shall be a Common Expense allocated to all Unit Owners in accordance with their Percentage Interest in the Common Elements appurtenant to such Unit Owner's Unit.

(m) Insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and insurance for his personal liability to the extent not covered by insurance maintenance by the Board shall be the responsibility of each such Unit Owner.

#### ARTICLE XVI DAMAGE OR DESTRUCTION

16.1 In the event of damage or destruction of any portion of the Property, the Executive Board, on behalf of the Association, and Unit Owners shall serve as attorney-in-fact for all Unit Owners to compromise all claims and promptly repair and restore the Property to substantially the same conditions as it existed prior to such loss or destruction, subject to the termination of the Condominium as provided in Article XVIII hereof. If the Executive Board fails within sixty (60) days of an insured loss to initiate a claim for damages recoverable under the property insurance policy(ies) obtained pursuant to the Act, the holder of any Permitted Mortgage may initiate such a claim on behalf of the Board. The cost of repair or replacement in excess of such insurance proceeds and reserve shall constitute a Common Expense.

#### ARTICLE XVII CONDEMNATION

17.1 If all or any part of the Common Elements shall be taken, injured or destroyed by Eminent Domain, the Executive Board shall act on behalf of the Association and Unit Owners to negotiate and obtain an award of damages for such taking, which award shall be payable to the Association as trustee for all of the Unit Owners and their mortgagees. After such determination, each Unit Owner shall be entitled to a share of the damages equal to the Percentage Interest in the Common Elements appurtenant to his Unit. The Unit Owners directly affected by any such taking shall represent and negotiate for themselves with respect to damage awards for their respective Units.

#### ARTICLE XVIII TERMINATION

18.1 The Condominium may be terminated in the following manner:

(a) By Statute: As provided by the Act.

(b) Destruction: In the event there is substantial destruction of all of the Buildings and eighty (80%) percent of the Unit Owners directly affected by said destruction, voting as in all other instances, shall duly resolve not to proceed with

repair or restoration, then and in that event, the Condominium form of ownership will be thereby terminated. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Executive Board executed by the President and Secretary certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Allegheny County, Pennsylvania.

(c) General Provisions: The termination Of the Condominium shall be evidenced by a certificate of the Executive Board executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Allegheny County, Pennsylvania. When the Property has been removed from the provisions of the Act, the former Unit Owners shall, at the time such removal becomes effective, become tenants in common of the Property, and the holders of mortgages, Judgments and other liens against the Unit or Units formerly owned by such Unit Owners shall have mortgages, judgments and liens upon the respective undivided common interests of the Unit Owners in the entire Property. The undivided interest in the Property owned in common which shall appertain to each Unit Owner following such removal shall be in the same proportion of the fair market value of such Unit Owner's interest to the fair market value of the interest of all Unit Owners determined in accordance with Section 3220 of the Act. All funds held by the Executive Board and all insurance proceeds, if any, shall be and continue to be held for the Unit Owners in proportion to the amount of their respective Interests determined as aforesaid in accordance with Section 3220 of the Act. The costs incurred in connection with such termination shall be a Common Expense. If the Property shall be removed from the provisions of the Act, then the Property may be subject to an action for partition by any Unit Owner or lienor as if owned in common in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to the fair market value of their respective Interests determined in accordance with Section 3220 of the Act; provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens or charges on his Unit. Such removal of the Property from the provisions of the Act shall not preclude its subsequent submission to the provisions thereof in accordance with the terms of the Act or in the alternative, the Act, if appropriate.

#### ARTICLE XIX PROVISIONS PERTAINING TO DECLARANT

19.1 Notwithstanding any other provisions contained, for so long as Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve Declarant from any obligations of a Unit Owner to pay Assessments as to each Unit owned by Declarant in accordance with the Declaration, beginning with the assessment due more than sixty (60) days after the Unit has been completed.

(a) The Declarant shall have control of the Clubhouse Condominium Association from the date of the first conveyance of a Unit to a person other than the Declarant for a period not exceeding seven (7) years; provided, however, that the period of Declarant control must terminate no later than one hundred eighty (180) days after the conveyance of one hundred (100%) percent of the Units to Unit Owners other than the Declarant. During the period of Declarant control, the Declarant, or persons designated by the Declarant, may appoint and remove officers and members of the Executive Board of the Clubhouse Condominium Association.

(b) Declarant does not make, and specifically disclaims any intent to have made, any warranty or representation in connection with any Unit, the Common Elements, the Property, or the Condominium Documents except as specifically set forth herein or in any Agreement of Sale for a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

(c) No amendment may be made to the Condominium Documents without the written consent of Declarant so long as Declarant retains the ownership of fifty (50%) percent or more Units.

(d) The Declarant shall have the right to transact on the Property any business necessary to consummate the sale or leasing of Units, including, but not limited to, the right to maintain models, display signs and to use the Common Elements.

(e) The Declarant reserves the right, which right shall expire seven (7) years from the date of the recordation of this Declaration, to grant utility easements over and across the Common Elements for the use and benefit of additional lands of the Declarant; provided, however, such easements shall not interfere with the use and enjoyment of Units created within the Condominium Property nor unreasonably interfere with the use and enjoyment of the Common Elements by the Unit Owners.

## ARTICLE XX CONDOMINIUM ASSOCIATION AND EXECUTIVE BOARD

20.1 Clubhouse Condominium Association. A Condominium Association, known as Clubhouse Condominium Association (hereinafter "Association"), shall be organized upon recordation of this Declaration to manage the affairs of the condominium. The membership of the Association shall consist exclusively of all Unit Owners of Units of the Clubhouse Condominiums.

20.2 Executive Board of the Association: First Executive Board. A board of natural individuals consisting of two (2) members shall be known as the Executive Board and shall manage the business, operation and affairs of the Property on behalf of the Association. With the exception of Board members appointed by the Declarant, all members of the Executive Board must be Unit Owners. Upon the

termination of Declarant control, at least a majority of the members of the Executive Board must be Unit Owners of Units contained in Clubhouse Condominiums. The names of the first members of the Executive Board are:

- (a) Michael Sulava
- (b) Barbara Sulava

ARTICLE XXI  
GENERAL PROVISIONS

21.1 Severability: The invalidity in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word or other provision of this Declaration, and any exhibits attached hereto, shall not affect the remaining portions thereof.

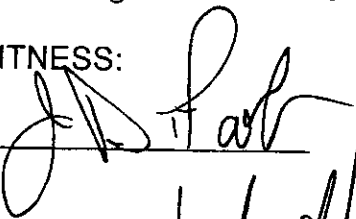
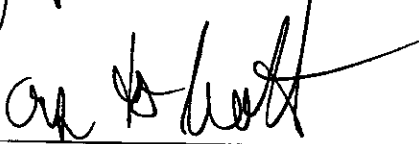
21.2 Binding Effect: The provisions of this Declaration and the Declaration Plats and Plans shall be binding upon and shall inure to the benefit of the Declarant, its successors and assigns.

21.3 Section Headings: The section headings of this document are inserted herein solely for the convenience of reference and shall not affect or be given any meaning in the construction and interpretation of this document.

21.4 Arbitration: Any dispute arising out of the terms hereunder or arising between Unit Owners must be submitted to binding arbitration for resolution. The decision of the Arbitrator shall be final and there shall be no right to appeal to Court.

IN WITNESS WHEREOF, the said Declarants have caused their names to be signed to theses presents.

WITNESS:

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

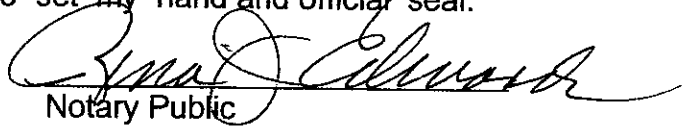
  
\_\_\_\_\_  
Michael Sulava

  
\_\_\_\_\_  
Barbara Sulava

COMMONWEALTH OF PENNSYLVANIA )  
 ) ss:  
COUNTY OF ALLEGHENY )

On this, the 1st day of May, 2001, before me, a Notary Public in and for the State and County aforesaid, the undersigned officer, personally appeared **MICHAEL SULAVA** and **BARBARA SULAVA**, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

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

  
Notary Public

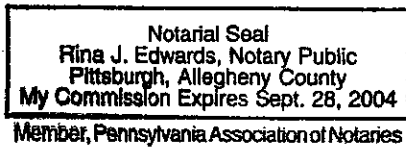


EXHIBIT "A"

DESCRIPTION OF LAND

ALL THAT certain lot or piece of land situate in the Township of Elizabeth, County of Allegheny and Commonwealth of Pennsylvania being bounded and described as follows, to-wit:

BEGINNING at a post on the edge of the public road leading from Elizabeth-town to Douglas Ferry (formerly Elrods Ferry), North  $41^{\circ}$  East  $12 \frac{8}{10}$  perches; thence along the edge of the public road leading from the above said Ferry to Buena Vista, South  $8 \frac{1}{2}^{\circ}$  East,  $16 \frac{3}{10}$  perches to a post; thence by land of which this is part, North  $57 \frac{1}{2}^{\circ}$  West,  $13 \frac{1}{2}$  perches to the place of beginning.

CONTAINING  $\frac{1}{2}$  acre of land strict measure.

SUBJECT TO prior instruments of record.

BEING designated as Block 760-S, Lot No. 44 in the Deed Registry Office of Allegheny County, Pennsylvania.

EXHIBIT "B"

PERCENTAGE INTEREST IN COMMON ELEMENTS

<u>Unit No.</u>	<u>Type of Unit</u>	<u>Percentage Interest</u>
A	Townhouse Type Unit	29%
B	Townhouse Type Unit	33%
C	Townhouse Type Unit	38%

EXHIBIT "C"  
EASEMENTS AND RIGHTS OF WAY

NONE OF RECORD

MAY 29 02 108592

DEED REGISTRY  
02 JUN 14 AM 11:39  
COUNTY OF ALLEGHENY

DECLARATION OF CONDOMINIUM  
OF  
CLUBHOUSE CONDOMINIUMS

I CERTIFY THIS  
DOCUMENT RECORDED  
ALLEGHENY COUNTY, PA

2002 MAY 29 PM 3:32

*Valerie McDonald Roberts*  
VALERIE McDONALD ROBERTS

MAIL TO:  
Joseph DiPaolo, Esquire  
DiPaolo & Russo  
1106 Fifth Avenue  
Pittsburgh, PA 15219

D 75.50  
NR 536

DBV 11359PG158