

BY-LAWS
OF
THE VILLAGE OF SEWICKLEY HILLS
CONDOMINIUM ASSOCIATION, INC.

BY-LAWS OF
THE VILLAGE OF SEWICKLEY HILLS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
Introductory Provisions

1.1 Applicability. Pursuant to the requirements of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S.A. § 3101, et. seq. (the "**Act**"), these By-Laws provide for the governance of the condominium-owner's association for the planned community, to be known as "The Village of Sewickley Hills" as created pursuant to (i) that certain Declaration of Condominium for Village of Sewickley Hills (the "**Declaration**") recorded on July 6, 2004 in the Allegheny County Recorder of Deeds Office ("**Recorder's Office**") in Deed Book Volume 12109, page 469, as the same may be amended, modified or restated from time to time, and applicable to certain property located in Sewickley Hills Borough, Ohio Township and Franklin Park Borough, Allegheny County, Pennsylvania, and more fully described in the Declaration, and (ii) the filing of the Articles of Incorporation of The Village of Sewickley Hills Condominium Association, Inc. (the "**Association**") on July 8, 2004 (the "**Organization Date**"), with the Pennsylvania Department of State (the "**Articles of Incorporation**").

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 Act.

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

1.4 Office. The principal office of the Association shall be located at 1300 Oliver Building, Pittsburgh, Pennsylvania, or at such other place as may be designated from time to time by the Executive Board, but meetings of Members and the Executive Board may be held at such places as may be designated by the Executive Board.

ARTICLE II
The Association

2.1 Composition and Maintenance Responsibility.

A. The Association is hereby organized as of the Organization Date. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Act, the Declaration and these By-Laws.

B. The Units shall be maintained and repaired by each Unit Owner and the Common Elements shall be maintained and repaired by the Association, all in accordance with the provisions of Section 3307 of the Act, except as expressly set forth to the contrary herein or in the Declaration. In accordance with the provisions of Section 3307 of the Act, except as expressly set forth to the contrary herein or in the

Declaration, the Limited Common Elements shall be maintained and repaired by the Association; provided, however, that the Unit to which any particular Limited Common Element is allocated shall be responsible for all expenses associated with that Limited Common Element.

C. The responsibilities set forth in this Section shall be performed by the Executive Board or a hired manager as more particularly set forth in these By-Laws.

2.2 Annual Meetings. The annual meeting of the Association shall be held on the first Monday of March of each year, or at such other date as may be designated from time to time to the Unit Owners; provided that if such date shall occur on a holiday the meeting shall be held on the next succeeding Monday. Subject to Section 3.1 of these By-Laws, at such annual meetings the Executive Board shall be selected in accordance with the voting requirements of Section 2.10 of these By-Laws and such other business as may properly come before the meeting may be transacted.

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

2.4 Special Meetings. The President shall call a special meeting of the Association (i) if so directed by resolution of the Executive Board; or (ii) upon a petition signed and presented to the Secretary by five (5) Unit Owners entitled to cast a vote in the Association; or (iii) at such times as may be necessary in order to elect members of the Executive Board in accordance with Section 3.1 of these By-Laws. No business shall be transacted at a special meeting except as stated in the notice.

2.5 Notice of Meetings. Written notice of each meeting of the Unit Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days but not more than sixty (60) days before such meeting to each Unit Owner entitled to vote at such meeting, addressed to the Unit Owner's address last appearing on the books of the Association, or supplied by such Unit Owners to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these By-Laws, any budget or assessment changes; and, if applicable, any proposal to remove a member of the Executive Board. The giving of notice of meeting in the manner provided in Section 10.1 of these By-Laws shall be considered service of notice.

2.6 Waiver of Notice. Before or at any meeting of the Unit Owners, any Unit Owner may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the receipt of such notice. Attendance by a Unit Owner at any meeting of the Unit Owners shall be a waiver of notice by him of the time and place thereof. If all the Unit Owners are present at any meeting of the Unit Owners, no notice shall be required and any business may be transacted at such meeting.

2.7 Meeting by Conference Telephone. One or more Unit Owners may participate in a meeting of the Unit Owners by means of telephone conference or

similar communications equipment by means of which all persons participating in the meeting can hear each other.

2.8 Action by Consent. Any action by the Unit Owners required or permitted to be taken at any meeting may be taken without a meeting if all of the Unit Owners shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Unit Owners.

2.9 Quorum. The presence at the meeting of Unit Owners entitled to cast, or of proxies entitled to cast, of one-tenth (1/10th) of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation of the Association, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Unit Owners entitled to vote at such meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

2.10 Voting. Each Unit (including each Unit owned by Declarant) shall be allocated one vote in the Association. When more than one person holds an interest or interests in any Unit, all such persons shall be members of the Association and the vote for such Unit shall be exercised as they among themselves determine, but in no event more than one vote be cast with respect to any such Unit. All questions or matters that require the vote, consent or approval of the Unit Owners shall require the affirmative vote, consent or approval of a majority of the votes entitled to be cast by the Unit Owners (including the Declarant if Declarant retains title to any Unit), unless the question or matter is one upon which, by express provision of applicable law, the Articles of Incorporation or these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question or matter.

2.11 Proxies. A vote may be cast in person or by proxy. If a Unit is owned by more than one person, each Unit Owner of the Unit may vote or register protest to the casting of votes by the other Unit 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 grantor(s) of the proxy. No proxy shall be valid for a period in excess of one (1) year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

ARTICLE III Executive Board

3.1 Number; Qualification and Appointment.

A. The affairs of the Association shall be governed by an Executive Board which shall be composed of five (5) Directors who must be natural persons.

B. The initial Directors of the Executive Board shall be selected by Incorporator of the Association and shall serve as Directors until such time as either Declarant removes them and appoints new Directors or they are replaced pursuant to Section 3.1.C or Section 3.1.D.

C. Within sixty (60) days after the sale of twenty five percent (25%) of the Units in the Condominium (as defined in the Declaration), the Unit Owners other than Declarant shall elect two (2) Directors of the Executive Board, which Directors shall serve until the succeeding annual meeting of the Association, at which time the Unit Owners other than Declarant shall elect two replacement Directors who shall serve for a one (1) year term (and the Declarant shall elect the other three (3) Directors).

D. Within one-hundred eighty (180) days of the sale of seventy five percent (75%) of the Units in the Condominium, but not later than five (5) years from the date of the recording of this Declaration, the Unit Owners shall elect the remaining three (3) Directors of the Executive Board, which Directors shall serve until the succeeding annual meeting of the Association, at which meeting the Unit Owners shall elect replacement Directors who shall serve for one (1) year terms. Thereafter, all Directors shall be elected by the Unit Owners; provided, however, that at least three (3) of the five (5) Directors must be Unit Owners.

E. Unless otherwise provided in the Act or the Declaration, in determining the percentage of Units in the Condominium that have been sold, and consequently whether Unit Owners other than Declarant are entitled to elect Directors of the Executive Board, the percentage of Units conveyed is presumed to be that percentage which would have been conveyed if all of the Units the Declarant has built or reserved the right to build pursuant to the Declaration were included in the Condominium.

3.2 Successor Appointment and Term. At the succeeding annual meeting of the Association after the appointment of Directors pursuant to Section 3.1.D of these By-Laws, each member of the Executive Board shall be elected to serve for the term of one (1) year or until his or her successor shall be elected and shall qualify, or until the earlier of his or her death, resignation, removal or (except in the case of members of the Executive Board elected by the Declarant) sale of his or her Unit.

3.3 Removal or Resignation of Members of the Executive Board. Any one or more of the Directors of the Executive Board may be removed with or without cause by Unit Owners entitled to elect such member of the Executive Board.

3.4 Vacancies. Vacancies in the Executive Board caused by the sale of a Unit shall be automatically filled by having the purchaser of such Unit become an Executive Board member, as of the date of the recording of a deed in favor of such purchaser of the Unit.

3.5 Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

3.6 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 the unanimous vote of the members, but such meetings shall be held at least once during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telegraph, at least twenty (20) business days prior to the day named for such meeting.

3.7 Special Meetings. Special meetings of the Executive Board may be called by the President or Secretary on at least ten (10) business days' notice to each member, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting.

3.8 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 or her 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.

3.9 Quorum of the Executive Board. At all meetings of the Executive Board a majority of the number of members of the Executive Board must be present to constitute a quorum for the transaction of business. 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. The members of the Executive Board present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members of the Executive Board to leave less than a quorum.

3.10 Voting. A vote of the majority of the members of the Executive Board shall decide any question to be decided by the Executive Board, unless the question is one upon which, by express provision of applicable law or of the Articles of Incorporation or these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

3.11 Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any actual out-of-pocket expenses incurred in the performance of his or her duties.

3.12 Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings.

3.13 Action by Consent. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to

such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

ARTICLE IV Officers

4.1 Designation. The officers of the Association shall consist of a President, a Secretary, a Treasurer, and such other officers as the Executive Board shall from time to time determine, including without limitation one or more Vice Presidents, Assistant Secretaries and/or Assistant Treasurers. The President, the Secretary and the Treasurer shall be members of the Executive Board. Any two offices except those of President and Secretary may be held by the same person.

4.2 Election and Removal. The officers of the Association shall be elected annually by the Executive Board and, unless sooner removed by the Executive Board, the officers shall serve for a term of one (1) year and until their successors are elected and shall qualify. Any vacancies occurring in offices shall be filled by the Executive Board from time to time. The Executive Board shall appoint such temporary or acting officers as may be necessary during the temporary absence or disability of the regular officers. Upon an affirmative vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Executive Board or at any special meeting called for such purpose.

4.3 Compensation. The salaries of all of the officers of the Association shall be fixed by the Executive Board, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a member of the Executive Board of the Association.

4.4 Duties of Officers.

A. President. The President shall be the chief executive officer and head of the Association, and during the recess of the Executive Board, shall have the general control and management of its business and affairs, subject, however, to the regulation of the Executive Board. He shall preside at all meetings of the Executive Board, and shall act as temporary Chairman and call to order all meetings of the Unit Owners of the Association and Executive Board, except as otherwise provided by law or by these By-Laws. He shall sign and execute all documents in the name of the Association when authorized to do so by the Executive Board. The President shall make annual reports showing the condition of the affairs of the Association and make such recommendations as he thinks proper, and submit the same to the Executive Board at the meeting next preceding the annual meeting of the Unit Owners of the Association. He shall, from time to time, bring before the Executive Board such information concerning the business and property of the Association as may be required.

B. Vice President. The Vice President, if there shall be one, shall perform such duties as shall be assigned to him by the Executive Board and in the

absence of the President, he shall have the power and may perform the duties of the President.

C. Secretary. The Secretary shall keep the minutes of the meetings of the Executive Board, and also the minutes of all meetings of the Unit Owners of the Association. He shall see that due and proper notice is given of all meetings of the Unit Owners of the Association and of the Executive Board, shall have custody of and shall sign and affix the seal of the Association, if any, to all papers and documents when they shall be signed by the President, or otherwise, as ordered by the Executive Board. He shall perform such other duties as may from time to time be required by the Executive Board, and in case of his absence or inability to act, a Secretary pro tem, who shall have the authority to exercise like powers and perform the duties of a Secretary, may be appointed by the Executive Board or the President.

D. Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Association, and shall keep full and accurate accounts of the receipts and expenditures of all Association funds in books belonging to the Association, and shall deposit all moneys and valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Executive Board and shall sign or countersign all bonds, checks, drafts, notes and orders for the payment of money, which shall be countersigned by the President or such other person as shall be designated by order of the Executive Board. He shall disburse the funds of the Association by order of the Executive Board, take proper vouchers for such disbursements, and shall render to the President and Executive Board, at the annual meeting of the Board, or whenever it may be required, an account of all of his transactions as Treasurer, and the financial condition of the Association. He shall perform such other duties as the Executive Board may from time to time direct. The Treasurer shall furnish no bond unless the Executive Board orders otherwise.

4.5 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations shall be executed by both (a) the President of the Association; and (b) either the Secretary or Treasurer of the Association.

ARTICLE V

Common Expenses and Assessments

5.1 Authorization. There are by the Declaration and by these By-Laws created assessments for the Association for expenses that may from time to time specifically be authorized by the Association. The assessments shall be levied equally against all Units. Each Unit Owner by acceptance of a deed or recorded contract of sale for any Unit is deemed to covenant and agree to pay these assessments. The amount of the assessment shall be determined by the Executive Board annually and shall be allocated among the Unit Owners based upon such Unit Owner's Percentage Interest, as defined in and pursuant to Section 2.2 of the Declaration. The Executive Board shall meet annually to prepare and adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of care, maintenance and insurance of the Common Expenses.

5.2 Obligation. All assessments, together with interest (at a rate of twelve percent (12%) per annum, but not to exceed the highest rate allowed by Pennsylvania Law) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be charged on each Unit and shall be a continuing lien upon the Unit against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Unit Owner of such Unit at the time the assessment arose, and, in the event of a transfer of title, his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first mortgagee who obtains title to a Unit pursuant to the remedies provided in any mortgage on such Unit shall be liable for unpaid assessments which accrued prior to such acquisition of title.

5.3 Certificate. The Association shall, upon demand at any time, furnish to any Unit Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of any assessments therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

5.4 No Exemption or Abatement. No Unit Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way illustration and not limitation, by non-use of any Common Expenses or abandonment of such Unit Owner's Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Unit Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Executive Board to take some action or perform some function required to be taken or performed by the Association or Executive Board under these By-Laws or the Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

ARTICLE VI Compliance and Default

6.1 Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws, any Rules and/or Regulations adopted by the Executive Board (the "Rules and Regulations") and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board, 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 or her act, neglect or carelessness or the act, neglect or carelessness of his or her tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include

any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

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

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

D. Abating and Enjoining Violations by Unit Owners. The violations of any of the Rules and Regulations adopted by the Executive Board, the breach of these By-Laws, the Declaration or the Act shall give the Executive Board the right; with prior notice and reasonable opportunity to cure, in addition to any other rights: (i) to enter the Unit in which, or as to which, such violation or breach exist and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VII Amendments

7.1 Amendments to By-Laws. Except as otherwise set forth below, these By-Laws may be amended from time to time, during the first twenty five (25) years of the term of the Association by an instrument signed by not less than ninety percent (90%) of the Unit Owners. Except as otherwise set forth below, thereafter, these By-Laws may be amended, in whole or in part, by an instrument signed by not less than seventy five percent (75%) of the Unit Owners. Until all the Units are sold, any amendment must be approved by Declarant.

7.2. Rights Of Mortgagees. Subject to the limitations imposed by the Act and except as set forth below, no amendment of these By-Laws may be made without the prior written approval of all Mortgagees if and to the extent that such approval is required by the Act or if and to the extent that such amendment would (i) be a

material amendment as defined by the Federal National Mortgage Association or have the effect of (ii) abandoning, encumbering, selling or transferring the Common Expenses; (iii) partitioning or subdividing any Unit or the Common Expenses; or (iv) changing the Percentage Interests of any Unit Owners. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Expenses shall not be deemed to be a transfer within the meaning of this Section 7.2. In any event, a Mortgagee shall be conclusively deemed to have approved an amendment if the Mortgagee fails to submit a written response to the Association within thirty (30) days after the Mortgagee receives notice of a proposed amendment.

7.3. Other Amendments. If any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these By-Laws which is defective or inconsistent with any other provision hereof, or if such amendment is necessary to conform to then current requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to planned community projects, the Executive Board may, at any time and from time to time effect such amendment without the approval of the Unit Owners or to that effect Mortgagees, upon receipt by the Executive Board of an opinion from an independent registered architect or licensed professional engineer in the case of any such amendment to the Plats and Plans or an opinion from independent counsel to the effect that the proposed amendment is permitted by the Act. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution and acknowledgment by one or more officers of the Executive Board.

7.4. Declarant's Rights. Until the expiration of Declarant's rights to control the Association described in Section 3303(c) of the Act, Declarant shall have the unilateral right to amend these By-Laws, as Declarant deems necessary, subject, however, to the Act and to the limitation that no such Amendment shall act to deprive or limit any Unit Owner's rights in or to the Common Expenses. So long as the Declarant owns any Units, no amendment to these By-Laws shall be effective or recorded without Declarant's review and written consent.

ARTICLE VIII

Liability of Members of the Executive Board

8.1 Liability of Members of the Executive Board. Except for responsibility or liability of a member of the Executive Board pursuant to any criminal statute or for payment of taxes pursuant to local, state or Federal law, a member of the Executive Board of the Association shall not be personally liable for monetary damages for any action taken or any failure to take any action unless (a) such member of the Executive Board has breached or failed to perform his fiduciary duties as provided in Section 8.2 hereof and (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

8.2 Member of the Executive Board's Fiduciary Duties. A member of the Executive Board of the Association shall stand in a fiduciary relation to the Association and shall perform his duties as a member of the Executive Board (including as a member of any committee of the Board) in accordance with the

standards set forth in Section 5712(a) of the Pennsylvania Nonprofit Corporation Law (15 Pa.C.S.A. §5712(a)), as the same may be amended from time to time. Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken as a member of the Executive Board or any failure to take any action shall be presumed to be in the best interest of the Association.

ARTICLE IX
Indemnification

9.1 Right to Indemnification. In the event a representative was, is or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, because he is or was a representative or because he is or was serving as a representative of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, the Association (a) shall indemnify a representative who has been successful on the merits or otherwise in defense of any such action, suit or proceeding or in defense of any claim, issue or matter therein, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith; (b) may indemnify a representative against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him even if he has not been successful on the merits in other than a derivative suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association (and, in the case of a criminal proceeding, had no reason to believe his conduct was unlawful); and (c) may indemnify a representative for expenses (including attorneys' fees) actually and reasonably incurred by him in a suit by or in the right of the Association (derivative suit) even if he is unsuccessful on the merits, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and is not adjudged to be liable for willful misconduct or recklessness in the performance of his duty to the Association.

9.2 Required Determination. Any indemnification under Section 9.1 (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that the indemnification of the representative is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 9.1. Such determination shall be made (a) by the Executive Board by a majority vote of a quorum consisting of the members of the Executive Board who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable if a quorum of disinterested members of the Executive Board so directs, by independent legal counsel in a written opinion.

9.3 Advances for Expenses. Expenses incurred by or imposed upon a representative in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article.

9.4 Nonexclusivity and Nonduplication. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any

other rights to which any person seeking indemnification may be entitled under any other By-law, agreement, vote of members or disinterested members of the Executive Board or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Notwithstanding any other provisions set forth in this Article, the indemnification authorized and provided hereby shall be applicable only to the extent that any such indemnification shall not duplicate indemnity or reimbursement which such person has received or shall receive otherwise than under this Article.

9.5 Preservation of Rights. No amendment or repeal of this Article shall adversely affect any right or protection extended to a representative hereunder for an act or failure to act occurring prior to the time of such amendment or repeal. Each representative shall be deemed to act in such capacity in reliance upon the rights of indemnification and advancement of expenses hereunder. The rights to indemnification and advancement of expenses hereunder shall continue as to a person who has ceased to be a representative and shall inure to the benefit of the heirs, executors and administrators of such person.

9.6 Insurance or Other Funding. The Association may create a fund of any nature which may, but need not be, under the control of a trustee or otherwise secured or may insure in any manner its indemnification obligations, whether arising hereunder or otherwise. The Association may purchase and maintain insurance on behalf of any person who is or was a representative of the Association or is or was serving at the request of the Association as a representative of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise against any liability asserted against him and incurred by or imposed upon him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article or otherwise, upon such terms and conditions as the Association may deem requisite including a requirement that any such person must contribute a portion or all of the cost of maintaining such insurance.

ARTICLE X Miscellaneous

10.1 Notices. All notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Executive Board or to the manager, at the principal office of the manager 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 notice here under.

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

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

10.4 Effective Date. These By-Laws shall become effective when the Declaration and the Plats and Plans have been duly recorded.

10.5 Invalidity. If any provisions of these By-Laws are determined by a court of competent jurisdiction to be invalid, the determination shall not affect the validity or effect the remaining provisions hereof.

10.6 Conflicts. The terms and provisions of the Act and the Declaration shall control in case of any conflict between them and the provisions of these By-Laws.

10.7 Seal. If required by the Executive Board, the Association shall have a seal containing the name of the Association, its year of incorporation, and a statement that it is a Pennsylvania Non-Profit Corporation.

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