

**BYLAWS OF  
THE ATRIUM CONDOMINIUM ASSOCIATION  
AS ADOPTED OCTOBER 24, 2012**

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Upon Recording, please mail originals to:

The Atrium Condominium Association  
Attn: Edward Zehfuss  
307 South Dithridge Street  
Pittsburgh, PA 15213

# BYLAWS OF THE ATRIUM CONDOMINIUM ASSOCIATION

October 24, 2012

## ARTICLE 1

### Name and Location

The name of the condominium association is The Atrium Condominium Association. The Association's principal office is located at 307 South Dithridge Street, Pittsburgh, Pennsylvania 15213.

## ARTICLE 2

### Definitions

Capitalized words and phrases used in the Bylaws have the meanings given in Exhibit D to the Amended Declaration. Any capitalized words and phrases not defined in Exhibit D to the Amended Declaration have the meanings set forth in the Act.

## ARTICLE 3

### General Provisions

- A. Applicability. Every Owner, Resident, Tenant and any other person who occupies a Unit will comply with these Bylaws. All provisions of these Bylaws are deemed to be covenants running with the land and to bind any person having at any time any interest or estate in a Unit as though such provisions were ratified and stipulated in each and every deed or conveyance or lease thereof.
- B. Severability. The provisions of these Bylaws are independent and severable. If any provision of these Bylaws is declared to be invalid or otherwise of no effect, the validity and enforceability of the remaining provisions will not be affected by the deletion of the invalid provision.
- C. Waiver. If the Association, the Board, an Officer, or a Unit Owner fails to enforce any provision of these Bylaws, that failure does not impair the right of the party to enforce that provision in the future.
- D. Captions. The captions herein are inserted only as a matter of convenience and in no way define, limit, or describe the scope or intent of any provision of these Bylaws.
- E. Conflicts. These Bylaws are intended to comply with the provisions of the Act in effect as of the date on which this document is Recorded. In the event of a conflict between the Amended Declaration and these Bylaws, the Amended Declaration controls except to the extent that the Amended Declaration is inconsistent with the Act, in which case the relevant provision of the Act controls. In the event of a conflict between these Bylaws and the House Rules, the Bylaws control.

- F. Gender and Number. All uses of the masculine pronoun include the feminine and neuter pronouns, and all uses of the singular number include the plural number and vice versa, unless in either instance, the context clearly indicates otherwise.

ARTICLE 4  
Purpose of the Association

The purpose of the Association is to act on behalf of its members as their governing body with respect to the administration, management, maintenance, and repair of The Atrium Condominium, consistent with the applicable provisions of the Act. The Association will operate on a non-profit basis as an unincorporated association.

ARTICLE 5  
Identification of the Property

The Property was submitted to the provisions of the Act by Recording of an amendment to the Declaration of The Atrium Condominium in the Department of Real Estate of Allegheny County, Pennsylvania on January 18, 2013. The Property is further described in Exhibit A to the Amended Declaration.

ARTICLE 6  
Membership in the Association and Ownership Interest in the Common Elements

- A. Membership. The membership of the Association consists of all Owners. Except as provided in these Bylaws or in the Amended Declaration, membership in the Association is not transferable.
- B. Termination of Membership. Membership of an Owner in the Association terminates upon the sale, transfer or other disposition of his Unit. Upon termination, membership in the Association automatically transfers to the new Unit Owner. Upon the death of an Owner who is a natural person, membership in the Association automatically transfers to the Person to whom, and in the same manner as, his Unit transfers. Upon the dissolution or other form of termination of a Unit Owner that is not a natural person (e.g., a Business Entity or a trust), its successor has all the rights and duties of the previous Owner, including membership in the Association.
- C. Ownership Interest. Each Unit Owner owns an undivided interest in the Common Elements, expressed as a percentage and allocated as set forth in Exhibit C to the Amended Declaration. In addition to the Percentage Interest allocated to the Unit in Exhibit C, an Owner's interest includes an additional interest of 0.01527% allocated for each Parking Space he owns. Together, the ownership interest allocated to the Unit and to any Parking Space(s) constitutes the Owner's Total Interest. In any matter requiring a vote of the Owners, each Owner is entitled to the same number of votes as the percentage of the Owner's Total Interest.

- D. Notice by Owners. An Owner must advise the Secretary, in writing, within ten days of any change of address, including seasonal changes, to which Association Notices should be delivered during his absence. If an Owner fails to provide information regarding a change of address, neither the Association, the Board, nor the Managing Agent will be liable for the failure to provide Notice concerning any matter.

ARTICLE 7  
Meetings and Quorum

- A. Annual Meeting. Meetings of the Association will be held at least annually at the Property or at such other place in Allegheny County, Pennsylvania, as may be specified in the Notice of the meeting. The Annual Meeting of the Association will be held in October at a date, time and place to be determined by the Board. Consistent with Section 3308 of the Act, at the Annual Meeting,

- (1) members of the Board will be elected by ballot in accordance with the provisions of Article 9 of these Bylaws and
- (2) the current Board will present to the Owners the Operating Budget for the following fiscal year.

The Owners may transact other business items stated in the agenda for the Annual Meeting.

- B. Special Meetings. The President will call a Special Meeting of the Association

- (1) as directed by resolution of the Board or
- (2) upon Petition of the Owners.

A Special Meeting called by resolution or Petition will be held not less than fifteen nor more than thirty days from the date of the resolution or Petition. Business conducted at a Special Meeting is limited to the business stated in the Notice of the Special Meeting.

- C. Notice. The Secretary, or upon his failure or neglect, then any member of the Board, will provide the Owners with Notice of each Annual or Special Meeting, stating the date, time, and place of the meeting and the items on the agenda. The Notice will include, if applicable, a proxy pertaining to any issue to be voted on at the meeting and will be provided to the Owners not less than ten nor more than sixty days prior to the date on which the meeting is to be held.

- D. Quorum. The presence, either in person or by proxy, of the Owners holding at least thirty percent (30%) of the Total Ownership Interest constitutes a quorum for the transaction of business at any meeting of the Association. If a quorum is present when the meeting is called to order, the quorum continues to exist until the meeting is adjourned, despite the withdrawal from the meeting of any Owner.

- E. Failure to Achieve a Quorum. If at any meeting of the Association a quorum is not in attendance, a Majority of those Owners who are present may adjourn the meeting or continue it to a later time. The Secretary will immediately provide Notice to all members of the Association of the date, time and place of a meeting so continued.
- F. Conduct of the Meeting. At any meeting of the Association, the President may appoint a person to serve as parliamentarian. The then-current edition of Robert's Rules of Order will govern the conduct of all meetings of the Association when not in conflict with the Amended Declaration, these Bylaws, or the Act.

ARTICLE 8  
Voting and Voting by Proxy

- A. The aggregate percentage of votes for all Unit Owners is one hundred percent (100%), divided among the Owners according to each Owner's Total Interest. Unless the Act, these Bylaws, or the Amended Declaration requires a different percentage of the Total Ownership Interest, each question presented at a meeting will be determined by a Majority of the Total Ownership Interest as voted by those present in person or by proxy. Cumulative voting is not permitted on any matter, including election of Board Members.
- B. Designation of Voting Entitlement.
  - (1) *Multiple Owners.* If ownership of a Unit is held jointly by more than one natural person, the Owners must advise the Secretary, in writing, of the Owner who is entitled to cast the vote of the Unit. Such notice will be valid until revoked in writing and provided to the Secretary. If the Unit Owners fail to so advise the Secretary, or if the named person is absent from a meeting at which matters are to be voted upon, any other Owner of the Unit who is present at the meeting will be entitled to cast the vote of the Unit. If more than one person owning a Unit is present, their vote will be deemed to be unanimous if any one of the multiple Owners casts the vote allocated to that Unit without protest by any other Owner of the Unit being made promptly to the person presiding over the meeting. Under no circumstances will the vote allocated to a Unit be divided among and voted individually by the joint Owners of a Unit.
  - (2) *Ownership by a Business Entity or Trust.* If the Unit Owner is a Business Entity, the Owner must provide to the Board in writing the name of one natural person who is a principal of the entity and the person entitled to cast the Owner's vote. If the Unit Owner is a trust, the trustee must provide to the Board in writing the name of the natural person entitled to cast the vote for the Owner. In the event the Owner of a Unit is not a natural person, a Business Entity or a trust, the Owner must advise the Board of the circumstances and the Owner and the Board will jointly designate the natural person with whom the Association will communicate and who will represent the Owner's interest in the Association.

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C. Proxy. A Unit Owner may appoint only another Owner to vote his proxy. A proxy must be executed in writing, must contain the name and Unit Number of the Owner granting the proxy, and is valid only for the designated meeting or any continuation of that meeting. As provided in Section 3310(b) of the Act, a proxy is void if it is not dated or if it purports to be revocable without notice. No proxy will be valid

- (1) for more than one year from its date or
- (2) after the meeting at which the Owners vote on the matter to which the proxy applies.

Each proxy must be filed prior to the beginning of a meeting with the Secretary and will be maintained in the Association's records for a period designated by the Board. A proxy filed with the Secretary prior to a meeting may be revoked only by the grantor's written notice of revocation received by the presiding officer before the Owners vote on the matter to which the proxy applies.

#### ARTICLE 9 Executive Board

A. Composition and Qualifications. The Executive Board will be composed of seven individuals whose primary legal residence is at the Property. Each Board member will be either an Owner, the Spouse of an Owner, or the person identified by a Business Entity or a trust as the person entitled to cast the vote on behalf of the record Owner. Each candidate for Board membership must be in Good Standing as of the time he is nominated and elected and throughout his term of office on the Board. No more than one Resident of a Unit may serve on the Board simultaneously.

B. Term of Office. Subject to the exceptions set forth below, a Board member may not serve more than two consecutive three-year terms. After an absence of not less than one year after having completed either a three-year term or the second of two consecutive terms, a former member of the Board may stand for election to a new term. Exceptions to the general rule regarding consecutive terms are permitted if

- (1) the nominating committee is unable to identify a candidate to fill a pending vacancy on the Board;
- (2) no candidate is nominated to stand for election by an Owner; or
- (3) the Owners holding a Majority of the Total Ownership Interest request in writing at least thirty days prior to the meeting at which Board members are to be elected that a particular Board member be allowed to succeed himself.

Each Board member holds office until

- (1) his successor has been elected;
- (2) he is no longer qualified by reason of ownership, residence, or Good Standing to continue as a Board member;

- (3) he is removed by the vote of the Owners holding at least sixty-seven percent (67%) of the Total Ownership Interest; or
- (4) his death, adjudication of incompetence, or voluntary resignation.

If the number of Board members is increased at any time by an amendment to these Bylaws, the term of any new member will be fixed so that the terms of at least two Board members expire annually.

C. Nomination of Board Members.

- (1) *Appointment of a Nominating Committee.* The Board will appoint a nominating committee not less than sixty days prior to the Annual Meeting for the purpose of identifying candidates to replace any member of the Board whose term is expiring or who has indicated he is unwilling or unable to continue to serve. The nominating committee will be chaired by a continuing member of the Board and will include two additional Residents in Good Standing who are not members of the Board, appointed by the President upon the recommendation of the members of the Board. A Resident who wishes to be considered for Board membership may not serve on the nominating committee for the pending election.
- (2) *Nominating Process.* Within five days after appointment of the nominating committee, the President will announce its formation and invite the Owners to assist the committee by recommending candidates or by volunteering to stand for election. The announcement will include a date, not less than forty-five days prior to the Annual Meeting, by which such recommendations are to be made. All nominations must be in writing and accompanied by a brief resume of the candidate and a signed statement by the candidate indicating his willingness and eligibility to serve if elected. The nominating committee may, at its discretion, identify candidates in addition to volunteers or those proposed by the Owners and will use its best efforts to assure that there is at least one, and preferably more than one, candidate for each upcoming vacancy on the Board. Not less than thirty days prior to the Annual Meeting, an alphabetical list of the names of the candidates for the Board and their resumes will be distributed to the Owners. Nominations are closed thirty days prior to the Annual Meeting and additional candidates may not be nominated from the floor during any meeting at which Board members are to be elected.

- D. Election of Board Members. At each Annual Meeting of the Association, or at a Special Meeting called for the purpose, one or more members of the Board will be elected by a Majority of the Total Ownership Interest to serve a term of three years. Each Owner may cast a vote for one candidate for each vacancy on the Board but may not cast his votes on a cumulative basis. In the event there are more candidates for Board membership than vacancies on the Board, candidates will be elected sequentially based on the percentage of the Total Ownership Interest each candidate receives. Each Board member elected by the Owners or chosen by a Majority of the remaining Board members to fill a vacancy on the Board as provided in Paragraph E below will take office immediately upon election.

- E. Vacancies. A vacancy on the Board for any reason will be filled at the discretion of the remaining Board members according to any means authorized by the Act. A member of the Board chosen to fill a vacancy will serve until the next Annual Meeting, at which time he may be elected to a full three-year term. A member of the Board who is chosen to fill a vacant term of twelve months or less may subsequently be elected to serve two additional consecutive terms, notwithstanding the prohibition against consecutive terms set forth in Paragraph B above.
- F. Removal of Board Members. At any Annual Meeting or Special Meeting of the Association, a Board member may be removed by a vote of the Owners holding at least sixty-seven percent (67%) of the Total Ownership Interest and a successor may then and there be elected to fill the vacancy created. Removal of a Board member must be initiated by a Petition presented to the Secretary who will in turn provide Notice to all Unit Owners. A Board member whose removal has been proposed must be given at least ten days' notice by the Secretary of the time, place and purpose of the meeting at which his removal will be considered and voted upon and must be given an opportunity to be heard at the meeting.
- G. Powers. The Board has those powers necessary for the conduct of the affairs of the Association granted to the Executive Board by the Act, the Amended Declaration, and these Bylaws. The powers and authority of the Board do not extend to any matter which is directed in the Act, the Amended Declaration, or these Bylaws to be exercised and done by the Owners individually or by the Association itself. The powers of the Board include, but are not limited to, the following:
- (1) electing Officers of the Association and filling any vacancies in office which occur, pursuant to Article 10 below;
  - (2) administering the affairs of the Association and the Property;
  - (3) engaging the services of a Managing Agent for the Association and fixing the terms of such engagement, the compensation, and scope of authority of the Managing Agent;
  - (4) formulating and amending as necessary the House Rules, consistent with the Amended Declaration and these Bylaws;
  - (5) providing for the maintenance, repair, and replacement of the Common Elements;
  - (6) preparing and adopting an annual Operating Budget and providing for the assessment and collection from the Owners of their shares of the estimated Common Expenses as provided in Article 12 below;
  - (7) implementing motions approved by a Majority of the Total Ownership Interest;
  - (8) approving or disapproving an application by an Owner to lease his Unit according to the procedures outlined in Article 14 below;
  - (9) resolving disputes between Unit Owners or between a Unit Owner and the Association according to the process set forth in Article 15 below; and

- (10) entering into contracts on behalf of the Association, *provided that* the Board may enter into contracts for an initial term of more than five years only with the consent of the Majority of the Total Ownership Interest.

H. Board Meetings.

- (1) *Initial Meeting.* The Board will meet not more than ten days following the Annual Meeting for the purpose of electing the Officers of the Association and for conducting any other business of the Board.
- (2) *Other Board Meetings.* Meetings of the Board will be held not less than once each calendar quarter at a date and time that it determines. Additional meetings of the Board may be held on a schedule agreed upon by the Board members or may be called by the President or by a Majority of the Board members on three days' notice to each Board member, such notice being given by electronic mail or by written notice placed in the internal mailbox of the Board member. The Board may agree to waive notice of a meeting. The presence of a Board member at a Board meeting constitutes a waiver of any objection to formal prior notice of that meeting unless the Board member attends solely for the express purpose of objecting to the transaction of any business because the meeting was not convened pursuant to these Bylaws.
- (3) *Quorum at Board Meetings.* At all meetings of the Board, a Majority of the Board members constitutes a quorum for the transaction of business, and any action authorized by law, the Amended Declaration, or these Bylaws may be taken by the Majority of the Board members present. If a quorum of the Board members is present when a meeting is called to order, the quorum will continue throughout the meeting, despite the subsequent absence of a member which would deny a quorum. A Board member who is unable to attend a meeting of the Board in person may be counted for quorum purposes and may participate by means of conference speaker-telephone or similar communications device.
- (4) *Action without a Meeting.* Any action by the Board required or permitted to be taken at a meeting may be taken without a meeting if a Majority all Board members consent in writing to (a) act without a formal meeting and (b) approve the proposed action. The written consents will be filed with the minutes of the Board.

- I. Joint Board and Owners' Meetings. The Board will meet quarterly with the Owners ("the Owners' Meetings"), at which time the President and the Managing Agent will report on matters of interest to the Owners and the Owners may express their concerns to the Board and the Managing Agent. The Board will announce the date and time of each Owners' Meeting not less than ten days prior to the date on which the meeting is to be held. Tenants and non-Owner Residents may attend the Owners' Meetings and the Annual Meeting as non-voting observers. During an Owners' Meeting or the Annual Meeting, the Board may, at its discretion, adjourn the open portion of the meeting and reconvene in executive session to discuss matters of a sensitive nature.

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J. Conduct of the Meetings. The then-current edition of Robert's Rules of Order will govern the conduct of all Board meetings when not in conflict with the Amended Declaration, these Bylaws or the Act.

K. Capital Expenditures Authorization. The Board may approve, at its discretion, Capital Expenditures within the following limits:

(1) Up to \$50,000 or five percent (5%) of the then-current balance in the Capital Reserve Fund, whichever is greater, for any single Capital Expenditure related to the improvement or maintenance of the Property or for the health and safety of the Residents. These limitations may be waived in cases of emergency as determined by the Board.

(2) Up to \$25,000 or two and one-half percent (2.5%) of the then-current balance in Capital Reserve Fund, whichever is greater, for any single Capital Expenditure related to the appearance of the Property.

All other Capital Expenditures require approval by a Majority of the Total Ownership Interest.

L. Delegation of Powers to a Managing Agent. The Board may employ a Managing Agent for the Association at a compensation established by the Board. The Managing Agent will perform those duties and services authorized by the Board, including but not limited to, any of the duties listed in the Act, the Amended Declaration, and these Bylaws.

(1) *Exceptions to Power of Delegation.* The Board may delegate to the Managing Agent all of the powers granted to a condominium Executive Board by the Act, the Amended Declaration, and these Bylaws except the following:

(a) to adopt the annual Operating Budget and any amendment thereof;

(b) to adopt, repeal, or amend the House Rules;

(c) to designate signatories on Association bank accounts;

(d) to borrow money on behalf of the Association;

(e) to acquire or mortgage Units or other real estate on behalf of the Association; or

(f) to allocate Limited Common Elements.

If the Managing Agent does not have the power to act under the Act, the Amended Declaration or these Bylaws, such duties may be performed as advisory to the Board.

(2) *Managing Agent Contract.* Any contract with the Managing Agent must provide that it may be terminated with cause with no less than thirty days' written notice and without cause or payment of a termination fee or penalty with no less than ninety days' written notice. The term of any such contract may not exceed five years, but may be renewed at the discretion of the Board.

M. Limited Liability of the Board and Others. The Board, a member of the Board in his capacity as a Board member, and each Officer and employee of the Association will not be liable to an Owner or any other person due to any act or omission except for the willful misconduct or gross negligence of such person. Without limiting the generality of the previous sentence, the Board, Board members in their capacity as such, and the Officers and employees of the Association will not be personally liable:

- (1) for (a) the failure of any service obtained by the Board or paid for by the Association or (b) injury or damage to persons or property caused by the Common Elements or by a Unit Owner or other person on the Property;
- (2) in contract to an Owner or any other Person under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Board or the Association in the performance of their duties;
- (3) in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them;
- (4) to a Unit Owner, or an Owner's Tenant, employee, agent, or guest, for loss or damage caused by theft of or damage to personal property left by such Owner, Tenant, employee, agent, or guest in a Unit, or in or on the Common Elements or Limited Common Elements;
- (5) for any injury or damage arising out of the use, misuse or condition of the Building, or which might in any other way be assessed against or imputed to the Board, Board members, Officers or employees as a result of or by virtue of their performance of their duties;
- (6) for any injury or damage to persons or property resulting from electricity, gas, fumes, sewage, water, rain, or other foreign matter which may leak or flow from the outside of any part of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place;
- (7) to any Owner as a result of the performance of the individual's duties for any mistake of judgment, negligence or otherwise; or
- (8) for any criminal acts on or at the Property, except for his own criminal acts.

N. Books and Records. The minutes of Board and Association meetings and the financial records of the Association will be made reasonably available to Owners and their authorized agents. Inspections will take place at a mutually convenient time of the Owner or his agent and any member of the Board during regular business hours of the Atrium Office staff or the Managing Agent. The Association may impose a reasonable charge for

- (1) the time of any employee of the Association or of the Managing Agent used in compiling, copying, or overseeing the inspection of the records, and
- (2) duplicate copies of records requested by an Owner or his authorized agent.

ARTICLE 10  
Association Officers and Powers

- A. Association Officers. The Association Officers will be a President, a Vice President, a Secretary, and a Treasurer, and such assistant officers (excluding the President) as the Board may, in its discretion, elect. Any two offices may be held by the same person except that of President who may hold no other office.
- B. Election and Term of Office. The Officers will be elected by the Board at its first meeting following the Annual Meeting or any Special Meeting at which new Board members are elected. Each Officer holds office until the next meeting at which new Board members are elected or until his voluntary resignation or removal from office.
- C. Removal of Officers. Any Officer may be removed from office for cause by the Board. In the event an Officer resigns or is removed, the remaining Board members will elect a new Officer to fill the vacancy at the first meeting following the election or replacement of a Board member.
- D. Powers of Each Officer. Each Officer has the powers and duties usually vested in such officer of an unincorporated non-profit association, including, but not limited to, those set out in the following paragraphs.
- (1) The President is the chief executive officer of the Association, presides at all meetings of the Association and of the Board, and is the primary liaison between the Association and the Managing Agent.
  - (2) The Vice President performs such duties delegated or assigned by the Board or the President and, in the absence or disability of the President, performs the duties and exercises the powers of the President.
  - (3) The Secretary keeps minutes of the meetings of the Board, meetings of the Association, and any Special Meetings; records in a minute book all resolutions adopted by the Association or by the Board; and has charge of such books, papers, and documents as the Board may prescribe. The Secretary also maintains a register of the addresses of non-resident Unit Owners and Qualified Mortgagees to which Notices are to be sent. Upon request, the Secretary will provide, or cause to be provided to any person who is entitled to it, 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 Act.
  - (4) The Treasurer is responsible for keeping full and accurate accounts of all receipts and disbursements of the Association and for Association funds and securities.
- E. Substitution and Delegation. If, at any time, an Officer is unable to perform his assigned duties, any other Officer, with the approval of the Board, may perform those duties on an interim basis. The duties of the Secretary and the Treasurer may be delegated, at the discretion of the Board, to the Managing Agent except when such delegation would be contrary to the Act, the Amended Declaration, or these Bylaws.

- F. Compensation. The Officers will not receive any compensation for their services except as provided by a resolution adopted by a Majority of the Total Ownership Interest. An Officer may, however, be reimbursed for expenses incurred in the ordinary course of Association business (1) as previously authorized by the Board or (2) without prior authorization up to a limit established by the Board.

ARTICLE 11  
Association Committees

A. Standing Committees.

- (1) *Committee Formation.* Each standing committee is chaired by a member of the Board and consists of no more than four additional members, each of whom is a Resident in Good Standing, and appointed by the President upon the recommendation of the other members of the Board. Each standing committee will meet on a schedule determined by the committee chair or as directed by the Board.
- (2) *Limitations on Standing Committee Functions.* All recommendations to the Board by a standing committee will be considered advisory and will be made in writing to the Board. No standing committee chair or member will direct any work by a Building employee, by the Managing Agent, or by a contractor of the Association without prior notification to and consent by the Board. No standing committee chair or member will enter into any contract on behalf of the Association.
- (3) *Committee Purposes.* The standing committees and their purposes are as follows:
  - (a) The House Committee recommends to the Board projects or activities concerning the maintenance and improvement of the Property and the Common Elements.
  - (b) The Community Relations Committee establishes and maintains relationships with organizations in the community, including government agencies, whose activities may in any way affect the Residents.
  - (c) The Activities Committee welcomes new Owners and Residents to the Building and keeps Owners informed of those events affecting the members of the Association as a whole.

- B. Ad Hoc Working Groups. The Board may appoint short-term ad hoc working groups to assist and advise the Board regarding specific issues of concern to the Association. Each ad hoc working group will be chaired by a member of the Board and may be composed of any number of members, each of whom must be a Resident in Good Standing. Limitations on the authority and scope of responsibility of any ad hoc working group are the same as those on standing committees set forth in Paragraph A above.

- C. Nominating Committee. On an annual basis, the Board shall appoint a nominating committee, the purpose and authority of which are set forth in Article 9 above.

- D. Association Documents Review Committee. Not more than four years from the date on which these Bylaws and the Amended Declaration are Recorded, and at four-year intervals thereafter (or at an earlier date as circumstances may require), the Board will appoint an Association Documents review committee to consider amendments or clarification to the Association Documents. This four-year review process in no way precludes consideration of other amendments proposed by the Board or the Owners in the interim.

ARTICLE 12  
Fiscal Management

- A. Fiscal Year. The fiscal year of the Association is January 1 through December 31, subject to change by a vote of the Majority of the Total Ownership Interest.
- B. Accounting Practices and Audits. The Treasurer will keep the books and accounts of the Association in accordance with generally accepted accounting principles and practices. Within sixty days after the close of each fiscal year, the Treasurer will furnish the Owners with a preliminary statement of the income and disbursements of the Association for the prior fiscal year. A review of the Association's financial records will be performed annually by a certified public accountant and, at least once every five years, a certified public accountant will perform a formal audit of the Association's financial records for the fiscal year just completed. The report of the annual review or audit will be provided to members of the Board and made available to other Owners upon request. The preliminary statement of income and disbursements previously authorized by the Treasurer will be subject to modification following the annual review or audit.
- C. Signature Authority and Delegation. All instruments for expenditures or obligations of the Association in amounts equal to or less than five percent (5%) of the annual Operating Budget will be executed by the President, Vice President, or Treasurer, unless such authority has been delegated by the Board to the Managing Agent. All agreements, contracts, deeds or leases and all checks and other instruments for expenditures or obligations of the Association in excess of five percent (5%) of the annual Operating Budget or any Capital Expenditure requiring the approval of the Majority of the Total Ownership Interest will be executed by at least two Officers of the Association designated by the Board for this purpose.

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D. Operating Budget.

- (1) *Presentation of the Annual Operating Budget.* Not less than thirty days prior to the Annual Meeting, the Board will provide to the Owners a proposed Operating Budget for the following fiscal year. The Operating Budget will include all items reasonably anticipated for prudent operation of the Property and the Association for the next fiscal year, including administrative expenses, maintenance and repair of the Common Elements, other anticipated Common Expenses, reasonable reserves for contingent expenses, and an amount to be allocated to the Capital Reserve Fund. In preparing the Operating Budget, the Board may solicit Owners for proposals to improve the efficiency and efficacy of operations. The Board will also evaluate each major expense item and consider new technologies and methods with the goal of reducing costs while maintaining or improving the quality of service.
- (2) *Modification of the Operating Budget.* The Operating Budget presented at the Annual Meeting is subject to modification upon the affirmative vote of a Majority of the Total Ownership Interest at the Annual Meeting or as provided by Section 3303(b) of the Act.
- (3) *Year-End Operating Budget Deficits.* At the end of any fiscal year in which there is an Operating Budget deficit, at the discretion of the Board,
  - (a) funds may be transferred from the Capital Reserve Fund to cover the deficit;
  - (b) Owners may be assessed a portion of the deficit according to each Owner's Total Interest; or
  - (c) a combination of alternatives (a) and (b) may be utilized.

To avoid depletion of the Capital Reserve Fund, following any fiscal year in which an Operating Budget deficit is covered by a transfer from the Capital Reserve Fund, the Operating Budget for the next year may, at the discretion of the Board, include a line item in an amount approximating the prior year's deficit to be used to reimburse the Capital Reserve Fund.

- (4) *Year-End Operating Budget Surpluses.* At the end of any fiscal year in which there is an Operating Budget surplus, at the discretion of the Board, surplus funds may be
  - (a) applied to the Operating Budget for the next fiscal year;
  - (b) transferred to the Capital Reserve Fund;
  - (c) reimbursed to the Owners based on each Owner's Total Interest; or
  - (d) used for any combination of (a), (b) and (c).

- E. Capital Expenditures Plan. Not less than thirty days prior to the Annual Meeting, the Board will provide to the Owners a proposed Capital Expenditures plan for the following fiscal year and a summary of Capital Expenditures anticipated for the next four fiscal years. The proposed Capital Expenditures plan will include the estimated costs of those improvements to or replacements of the Common Elements which the Board has determined should be completed during the upcoming fiscal year. Any non-emergency Capital Expenditure that exceeds the amount the Board is authorized to expend at its discretion pursuant to Article 9 above will be voted upon by the Owners either at the Annual Meeting or at a Special Meeting called for that purpose.
- F. Rejection of Operating Budget or Capital Expenditures Plan. Notwithstanding the adoption of an annual Operating Budget or the approval of a Capital Expenditure by the Board or by a Majority of the Total Ownership Interest, the Association may reject the Operating Budget or any Capital Expenditure within thirty days after its approval by submitting to the Secretary a Petition signed by the Unit Owners holding at least sixty-seven percent (67%) of the Total Ownership Interest.
- G. Annual Assessment.
- (1) *Calculation of the Annual Assessment.* The Board will estimate the income necessary to meet the Operating Budget for the upcoming fiscal year less income anticipated from non-Owner sources (including, but not limited to, rental income, fines, and interest), and determine the Annual Assessment of each Unit Owner. The monthly assessment allocated to each Unit is calculated by
- (a) multiplying the total amount of the estimated funds required for the Operating Budget for the upcoming fiscal year after deducting any income to the Association
- (b) by the Owner's Total Interest and
- (d) dividing the resultant product by twelve.
- (2) *Notice and Payment of the Annual Assessment.* The Board will provide Notice of the amount of the monthly assessment to each Owner not less than thirty days prior to the beginning of the fiscal year. The monthly assessment must be paid or the payment must be postmarked not later than the eleventh (11<sup>th</sup>) day of each calendar month. If an Owner fails to pay his monthly assessment within thirty days of the date on which it is due, the Board may invoke the rights and remedies of the Act and of the law to enforce collection of the amounts due, together with interest as permitted by law, attorneys' fees, and costs of collection. An unpaid monthly assessment will be a lien against the Unit as provided in the Act and the Amended Declaration.

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- (3) *Adjustments in the Annual Assessment.* The failure or delay of the Board to prepare or adopt an Operating Budget for any fiscal year does not constitute a waiver or release in any manner of an Owner's obligation to pay his monthly assessment. If the Board fails to adopt an annual Operating Budget or to advise the Owners of an adjustment in the monthly assessment amount, each Owner will continue to pay the monthly assessment at the amount then assessed until a new Operating Budget is adopted and Notice of a change in assessment is provided to the Owners. If, during the course of the fiscal year, the Board reasonably anticipates a shortfall in the Operating Budget, after application of monies from the Capital Reserve Fund as deemed by the Board to be in the best interests of the Association, the Board may increase the Annual Assessment for each Owner upon not less than thirty days' Notice, supported by a revised Operating Budget. The increased amount of the Annual Assessment will be payable in one or more monthly payments at the discretion of the Board.

H. Special Assessments.

- (1) *Determination of a Special Assessment.* Upon approval by a Majority of the Total Ownership Interest at an Annual Meeting or at a Special Meeting called for the purpose, the Board will authorize a Special Assessment against each Unit for extraordinary expenses not reasonably anticipated by the annual Operating Budget or the Capital Expenditures plan or for other purposes permitted or required by the Act, the Amended Declaration or these Bylaws.
- (2) *Payment of a Special Assessment.* The amount of the Special Assessment will be allocated according to each Owner's Total Interest and will be due as a one-time payment or over a given number of monthly payments, as determined by the Board. The Board will provide each Owner with Notice of the amount and payment schedule of a Special Assessment allocated to his Unit not less than thirty days prior to the date on which the Special Assessment or the first installment is due. All Owners will pay the amount of such assessment.

- I. Failure to Pay Assessments and Other Charges. As provided in Section 3315 of the Act, the full amount of a Special Assessment serves as a lien against the Unit even if it is payable in installments over a period of time. Any installment which is not paid as it becomes due will bear interest at the rate established by the Board, not exceeding fifteen percent (15%) per year. In the event of the death of a Unit Owner or the dissolution of a Unit Owner that is not a natural person, any unpaid monthly assessments, late fees or fines, outstanding Special Assessments, and interest on such assessments and fees will continue to accrue until such time as the Unit is transferred to a new Owner and all such unpaid amounts will be a lien against the Unit.

ARTICLE 13  
Use Restrictions

- A. Restrictions on Residence. Consistent with the federal Fair Housing Act, the Pennsylvania Fair Housing Act, and the Pennsylvania Human Relations Act (as each may be amended from time to time), the Association will adopt no restrictions on residence or occupancy which discriminate on the basis of race, color, religion, national origin, sex, age, familial status or handicap.

B. Residential Use. A Unit will be used only as a residence for the Unit Owner, members of his Family, or Tenants. For purposes of this Article, "reside" means to sleep in or otherwise occupy a Unit with the expectation of remaining for an indefinite period of time or to use the Building address for such purposes as receiving U.S. mail, registering to vote, or obtaining a driver's license. Except as set forth below, no other person may reside in a Unit for any period greater than sixty days in any calendar year, either continuously or intermittently, except as specifically authorized by the Board upon written request by the Owner. All Residents are subject to the provisions of the Association Documents.

(1) *Residential Use by a Business Entity*. If the Unit Owner is a Business Entity, the Owner must provide, by a certificate in writing to the Board, the name of one individual who may reside, together with his Family, in the Unit. A Business Entity Unit Owner may, from time to time, advise the Board of a change in the identity of the individual and his Family residing in the Unit by providing an updated certificate.

(2) *Residential Use by a Trust or Other Entity*. If the Owner is a trust, any trustee or beneficiary of the trust, together with his Family, may reside in the Unit. In all other circumstances in which ownership is not held by a natural person, the Unit Owner must advise the Board of the relevant circumstances and the Board and the Owner will jointly determine who may reside in the Unit.

(3) *Caregivers*. If an Owner or a member of his Family requires a resident medical caregiver, on either a temporary or long-term basis, the Owner must provide the Board with confidential information regarding those caregivers on a form authorized by the Board as set forth in the House Rules.

C. Current Residents. Any Resident who is not an Owner, a member of the Owner's Family, or a Tenant who occupies a Unit as of the date upon which these Amended Bylaws are Recorded may continue to reside therein indefinitely *provided that*

(1) the Owner provides the Board with the name and telephone number of each Resident of the Unit within ten days of the date upon which these Bylaws are Recorded, and

(2) the Board determines, in its sole discretion, that the conditions of the continued residence are in substantial compliance with these Bylaws.

D. Occupancy Limits. The maximum number of Residents, regardless of age, will be no more than two per bedroom. The only areas that may be counted as bedrooms are those identified as such on the original Building plans. If a Unit Owner allows occupancy which exceeds the limitations set forth in these Bylaws and refuses to correct the situation within five days following Notice, the Board may pursue any available legal remedies after notice and a hearing as set forth in Article 15 below. All costs of enforcement of this restriction, including but not limited to legal fees, filing fees, and expert witness fees, will be assessed against the Owner.

E. Unit Restrictions. The following restrictions pertain only to the use and maintenance of a Unit and its associated balconies and are in addition to restrictions placed on structural alterations of a Unit set forth in the Amended Declaration.

(1) *Interior Use Restrictions.*

- (a) Each Owner will keep his Unit in good, clean, sanitary, livable condition at his own expense. A Resident may not do or permit anything to be done or kept in the Unit which, in the opinion of the Board, obstructs or interferes with the rights of other Unit Owners or unreasonably annoys or offends other Unit Owners.
- (b) Without the prior written consent of the Board, a Resident may not do or keep anything in a Unit which will (1) increase the rate of insurance on the Property or (2) result in the cancellation of insurance on the Property or on the property of another Owner, nor may a Resident do or keep anything in a Unit which would violate any applicable statute, ordinance, rule or regulation.
- (c) A Resident may not conduct any business or service from the Unit which requires regular visitation by clients or customers.

(2) *Emergency Access to Units.* In order to facilitate emergency entry to the Unit, each Owner must provide to the Atrium Office a set of keys to all locks necessary to gain access to his Unit and will provide replacement keys when such locks are changed or added to a corridor door. If an Owner refuses or neglects to provide keys to the Atrium Office, the Association, the Board, Board members, and employees of the Association and of the Managing Agent will have no liability for direct or consequential damages or injury caused to any occupant of the Unit and to the Owner's property or the property of another Person or the Association if the Association, its employees or contractors, or emergency personnel (firefighters, paramedics, police, etc.) must gain access to the Unit by force or if access is delayed as a result of the failure of the Owner to provide the necessary keys.

(3) *Exterior Use Restrictions.*

- (a) No decorations will be placed on the exterior of the Building except as permitted by the House Rules, nor will any signs inside a Unit be visible from the exterior of the Building.
- (b) No decorations will be placed on the side of the Unit doors facing the Common Element corridors except as provided in the House Rules.
- (c) The side of any window coverings facing the exterior of the Building must be white.

- (4) *Balconies.*
- (a) Exterior modifications or repairs, including repairs to the Common Elements of any balcony, may be performed only by authorization of the Board.
  - (b) Balconies may not be used for storage if the items stored there are visible from street level.
  - (c) Nothing may be affixed to a balcony railing or placed on top of the balcony walls except by written authorization of the Board.
  - (d) If a Unit Owner or a previous Owner has modified the balcony floor by installing tile or other permanent covering, the Association will not be responsible for maintenance of the floor or for any damage to adjacent Units as a result of the failure of the modified floor.
  - (e) The Unit Owner will maintain and clean each balcony, including the drain holes, as directed seasonally by the Board.
- F. Antenna Restrictions. Antennas intended to receive AM/FM radio, amateur HAM radio, citizens band radio, digital audio radio service, or internet transmissions may not be installed on the exterior of the Building or on any Common Element. An antenna may not be installed in or upon a Unit Owner's balcony if it is visible from street level.
- G. Satellite Device Restrictions. An antenna or dish designed to receive fixed wireless signals (a "Device") may not be installed unless it complies with the provisions of the Telecommunications Act of 1996, specifically, the Over-the-Air Reception Devices Rule ("OTARD") and with the use restrictions stated in these Bylaws to the extent those restrictions are consistent with OTARD.
- (1) *Device Installation.* Any Owner contemplating installation of a Device must advise the Board in writing not less than sixty days prior to the installation date in order for the Owner and Board to determine if the Owner's plan for installation and maintenance of the Device complies with these use restrictions and with other standards established from time to time by the Board in the House Rules. All installations will conform to safety specifications and requirements as determined by the Board to the extent those specifications and requirements do not conflict with the provisions of OTARD. The Device to be installed must conform to OTARD provisions regarding size and labeling. A contractor employed to install a Device must present evidence to the Board of insurance covering personal injury and property damage prior to beginning any work on the Property.
  - (2) *Damage to the Common Elements, Repairs, and Indemnification.* Any Common Element damaged as a result of the installation, either at the time of the installation or thereafter, must be returned to its original appearance, state and function at the expense of the Owner. Each Unit Owner installing a Device must agree in writing to indemnify the Association and its members from claims and liability for personal injury or property damage caused by the installation, maintenance, or use of a Device.

- (3) *Device Location and Visibility.* Consistent with these Bylaws and the Amended Declaration, a Device may not be attached to any Common Element, including the exterior brick walls of a balcony, nor may any portion of such a Device extend over the edge of a balcony into the Building air space. The Owner will make every reasonable effort to install the Device in a location where it is least visible from street level, to the extent such location does not impair reception of signals. Any Device visible from street level will either be (a) painted a color approved by the Board to reduce color contrast between the Device and the background or (b) screened using materials approved by the Board, to the extent that the method of reducing visibility does not impair reception. Painting or screening of a Device visible from the street will be under the control of the Board and at the expense of the Association.
- (4) *Other Considerations.*
- (a) A Device may not be installed in such a way that it interferes with another Owner's reasonable use and enjoyment of his Unit or his Limited Common Elements.
  - (b) A transmission Device must be installed in a location which complies with the safe minimum separation distance required between the Device and human beings, including Residents of adjacent Units, as provided in the label affixed to the Device itself.
  - (c) If the Association determines by vote of a Majority of the Total Ownership Interest to install a common (i.e., "master") reception device which would provide the same service as a Device previously installed by an individual Owner, as soon as practicable after the common device is installed and operable, the Unit Owner will remove his Device at the request and expense of the Association.
- (5) *Amendment of Device Restrictions.* These Device restrictions may be amended by the Board as set forth in the House Rules to the extent such amended restrictions do not
- (a) unreasonably delay or prevent installation, maintenance, or use of a Device;
  - (b) unreasonably increase the cost of installation, maintenance, or use;
  - (c) preclude reception or transmission of an acceptable quality signal; or
  - (d) otherwise impair the Owner's rights under OTARD.
- (6) *Definitions.* All terms used in this Paragraph which are not otherwise defined herein have the meanings set forth in 47 C.F.R. § 1.4000 as amended from time to time.

H. Parking Space Restrictions.

- (1) *Vehicles Permitted.* Parking Spaces will be used only for motorized vehicles commonly used for personal transportation. An inoperable vehicle may not be stored in a Parking Space for more than three business days without the written consent of the Board.
- (2) *Prohibited Actions.* A Unit Owner, Resident or Tenant may not impede or obstruct access to another Owner's Parking Space or to any Common Elements of the Garage. An Owner, Resident or Tenant may not keep or store in his Parking Space, or in any part of the Common Elements of the Garage, any hazardous material, including but not limited to, gasoline and other flammable liquids, bottled compressed natural gas or bio-fuels.
- (3) *Removal of Vehicles.* A Unit Owner must, upon reasonable Notice, promptly remove his vehicle from his Parking Space and/or from the Garage to allow for routine maintenance or capital improvements in the Garage or other Common Elements.
- (4) *Vehicle Keys.* A Unit Owner who expects to be absent from the Building for a period of ninety or more consecutive days must provide the Atrium Office with a key for each vehicle remaining in the Garage in order for the vehicle to be temporarily moved to allow routine maintenance or capital improvements in the Garage. The Association will not be liable for loss or damage to a vehicle for which an absent Owner has failed to comply with the preceding sentence.
- (5) *Electric Vehicles.* No Owner, Resident or Tenant will utilize Building power outlets to charge an electric vehicle. A proposal by an Owner to bring a private power source to his Parking Space for the purpose of charging an electric vehicle must be made to and approved in advance by the Board in writing. Installation of such a power source and maintenance thereof will be entirely at the expense of the Unit Owner, including the cost of any modifications to Common Elements necessary to accommodate the power source.
- (6) *Other Use Restrictions.* The Board may, through the House Rules, impose further restrictions on the use of Parking Spaces or the Garage in general concerning such activities as storage or vehicle repairs.

I. Heat Pumps.

- (1) *Access for Maintenance.* Each Owner, Resident and Tenant must comply with reasonable Notice to allow entry into the Unit by the Association's authorized contractor to perform periodic maintenance authorized by the Board, including, but not limited to, cleaning condensate drain lines and checking the thermostat calibration of the heat pump. The Owner, Resident or Tenant must remove from the immediate area of the heat pump any items that would interfere with the performance of such maintenance.

- (2) *Allocations of Costs.* The cost of the periodic maintenance performed at the direction of the Board is a Common Expense. All other costs for maintenance, repairs and replacement of the heat pump and its associated apparatus are at the expense of the Owner.
  - (3) *Liability for Non-Compliance.* Failure by an Owner, Resident or Tenant to comply with requirements of any Notice regarding maintenance to be performed at the direction of the Board will result in a fine in an amount to be determined by the Board. Any consequential damage to the property of another Owner or to the Common Elements resulting from the failure an Owner, Resident or Tenant to comply with reasonable Notice regarding periodic maintenance will be the sole responsibility of the non-complying Owner or Tenant.
- J. Common Elements Use Restrictions. An Owner, Resident or Tenant may not occupy, overload or misuse any Common Element and must comply with all House Rules pertaining to use of the Common Elements.
- K. Pets. Except as permitted by law, no animals of any kind are allowed on the Property, even on a temporary basis. An Owner, Resident or Tenant who wishes to keep an animal permitted by law (for example, but not limited to, a guide dog for the visually impaired or a therapy animal), must present to the Board a certificate from a licensed medical practitioner attesting to the need for such an animal and such a certificate will be subject to periodic renewal at a time interval to be determined by the Board. The Board may, at its discretion, promulgate House Rules regarding such animals provided those rules do not impair the Owner's legal rights and are consistent with the Amended Declaration and these Bylaws.

ARTICLE 14  
Leasing and Other Conveyances

- A. Restrictions on Leasing.
- (1) *Certain Leases Prohibited.* A Unit may not be leased, used or otherwise occupied under any kind of interval, fractional or time-share plan, nor may any Unit be leased as a regular business practice or held as a speculative investment.
  - (2) *Limitation on Number of Leased Units.* A maximum of five Units in the Building may be leased concurrently, regardless of an Owner's hardship claims.

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- (3) *Process for Lease Applications.* If at the time an Owner applies for permission to lease his Unit five other Units are already under Lease, the Owner's name will be added to a waiting list of potential lessors maintained by the Board. Upon expiration or termination of a current Lease and removal by the Tenant from the Unit, the Board will advise the Owner whose name has been on the waiting list for the longest period of the opportunity to lease his Unit. A Unit Owner who is so advised will have ten days to
- (a) confirm in writing that he is still interested in leasing his Unit and
  - (b) provide an updated application which the Board shall promptly consider.

If the Owner declines the opportunity to lease his Unit, his name will be removed from the list. If the Owner fails to lease his Unit within ninety days of Notice from the Board that he may do so, the next Owner on the list will be given the opportunity to lease his Unit. The application of the first Owner will be moved to the end of the waiting list unless the Owner chooses to completely withdraw his application to lease.

B. Conditions for Leasing.

- (1) A Unit may be leased only if the Board, in its sole discretion, determines that "undue hardship," as defined in Paragraph D below, would result to the Owner if he were not permitted to lease his Unit. An Owner who believes he must lease his Unit to avoid undue hardship will submit a written application to the Board setting forth the circumstances which necessitate the leasing and such other information as the Board may reasonably require.
- (2) All decisions by the Board granting or denying permission for an Owner to lease his Unit will be final and binding.
- (3) The minimum term of the Lease will be one year, subject to renewal for not more than one additional year.
- (4) An Owner may lease his Unit only once during his period of ownership unless the Board, in its sole discretion, determines that a second Lease period should be granted to avoid undue hardship to the Owner.
- (5) An Owner may not lease or sublet any portion of his Unit while the Owner or any member of his Family continues to reside in the Unit.
- (6) A Unit owned by a Business Entity may not be leased to any person not authorized to occupy the Unit pursuant to Article 13 of these Bylaws.

- C. Application to Lease. The application to lease a Unit will be in a form approved by the Board and will include a narrative explaining the reason to lease, documentation to support the reason, and the anticipated duration of the Lease. Any financial information the Owner may provide in the application to lease a Unit will be treated with the utmost confidentiality and returned to the Owner upon approval or denial of the Lease application.

D. Undue Hardship Situations. By way of illustration and not limitation, the following will generally be considered situations giving rise to undue hardship:

- (1) the death of the Unit Owner or his Spouse;
- (2) the physical or mental disability of the Owner or another Resident of the Unit to such a degree that continued occupancy of the Unit is likely to create a hazardous situation for himself or others;
- (3) a required job transfer which would necessitate a round-trip daily commute of 100 miles or more from the Building;
- (4) the inability to sell the Unit due to economic conditions beyond the Owner's control, following a good faith effort to sell for not less than six months at a market price established by at least two reputable realtors;
- (5) an anticipated absence of at least one year from the Building due to such events as a leave of absence from employment, temporary reassignment of one's place of employment, military service, or long-term medical treatment, after which the Owner intends to return to his Unit; or
- (6) any comparable situation which, in the opinion of the Board, would result in undue hardship to the Owner.

The financial condition of the Owner may not be the sole reason for seeking approval to lease his Unit, but may be taken into consideration with other factors.

F. Form and Content of the Lease; Obligations of Unit Owner.

- (1) All Leases must be in writing and must use the then-current form Lease approved by the Board. Copies of the then-current versions of each Association Document must be attached to the Lease and made a part thereof by incorporation.
- (2) All adults over age eighteen who reside in the Unit must be made party to the Lease as Tenants and all individuals who reside in the Unit, including children under the age of eighteen, must be identified by name in the Lease.
- (3) Whether or not specifically stated in the form Lease approved by the Board, every Tenant will be subject to the provisions of the Association Documents to the same extent and with the same responsibilities and obligations as if the Tenant were a Unit Owner. Each Owner will require his Tenant and any other occupant of the Unit to comply with the terms and conditions of the Association Documents.
- (4) Whether or not specifically stated in the form Lease approved by the Board, the Unit Owner and each Tenant over the age of eighteen will indemnify, jointly and severally, the Association and its members against liability and loss resulting from any breach of or noncompliance with the Association Documents.

- (5) In the event a Tenant or other occupant of a leased Unit fails to comply with the Association Documents, the Board will advise the Owner who will compel the Tenant's or occupant's compliance by any legal means. In the event the Owner fails to achieve such compliance, both the Owner and the Tenant or occupant will be provided with the opportunity to be heard as set forth in Article 15 below. The failure of the Owner, Tenant, occupant, or such individual's legal representative to appear at the hearing will not prevent the Board from imposing any sanction provided for in Article 15, including eviction of the offending Tenant or occupant and/or imposition of monetary fines on the Owner or Tenant or occupant.
- (6) Leasing a Unit does not release the Unit Owner from his obligation to comply with the terms of the Association Documents, to pay the Annual Assessment and any Special Assessment allocated to the Unit, and to otherwise perform all obligations of an Owner.
- (7) An Owner may not give a power of attorney or otherwise delegate to his Tenant the authority to vote the Owner's Total Interest allocated to the Unit.

G. Lease Notification.

- (1) At least ten business days before a Lease is to go into effect, the Owner will provide to the Secretary of the Board a form setting forth:
  - (a) the mailing address and at least two telephone numbers or e-mail addresses of the Owner or other representative having the legal power to act on behalf of the Owner to be used to contact the Owner after the Lease becomes effective; and
  - (b) the names and telephone numbers of each Tenant and any other person who is expected to reside in the Unit.
- (2) Within ten business days after the Lease is executed, the Owner must provide an executed copy of the Lease to the Secretary.

H. Enforcement. If an Owner fails to comply with the requirements to provide the above information, following notice and an opportunity to be heard as described in Article 15 below, the Lease may be rendered null and void and the Board may invoke any remedy available at law, including eviction. All costs and fees, including but not limited to, attorneys' fees incurred by the Association in enforcing the provisions of the Amended Declaration, these Bylaws and the House Rules will be the responsibility of the non-complying Owner.

I. Current Leases. Any Lease in effect as of the date on which these Bylaws are Recorded may continue until the expiration of the current Lease term, *provided that*

- (a) the Owner complies with the Lease notification requirements in Paragraph G above within ten days of the date on which these Bylaws are Recorded, and
- (b) the Board determines, in its sole judgment, that the provisions of the Lease are in substantial compliance with these Bylaws.

Any attempted renewal of a Lease in effect as of the date on which these Bylaws are Recorded will be considered an application by the Unit Owner to enter into a new Lease and will be required to meet all the conditions set forth in this Article. If at the time a current Lease expires, other Owners have indicated a desire to lease their Units but have been unable to do so due to the restrictions on the number of Units to be leased concurrently, the Lease which is expiring may not be renewed if the Unit has already been leased for two years or more.

J. Other Conveyances.

- (1) In the event an Owner intends to enter into:
  - (a) a deferred settlement purchase/installment sales agreement;
  - (b) a seller-financed sale with the Owner taking back more than fifty percent (50%) of the sale price;
  - (c) a lease-purchase agreement; or
  - (d) any comparable sales agreement whereby the Owner retains an interest in the Unit but the Unit is occupied by another Resident,

the Owner must advise the Board of his intent not less than thirty days prior to the date on which the Unit is to be made available for conveyance.

- (2) The notice provided for in the previous sentence is solely for the information of the Board in order to determine the effect, if any, the contemplated conveyance may have on the interests of the Association and shall not be deemed a restraint on the alienability of the property.
- (3) When any conveyance such as those described above is proposed, the Board reserves the right to seek clarification, in writing, by the parties to the conveyance as to matters affecting the well-being of the Association, including, but not limited to, responsibility for payment of the Annual Assessment and any Special Assessment, voting privileges, occupancy, etc.
- (4) In the event of an unanticipated forced conveyance of a Unit such as by foreclosure or sheriff's sale, the Owner must immediately advise the Board of the circumstances of the conveyance.

ARTICLE 15  
Dispute Resolution

A. General.

- (1) The Board may sanction a Unit Owner, Tenant or Resident only after notice and an opportunity to be heard have been provided as set forth in this Article.
- (2) The provisions of this Article apply only to violation of a provision of the Association Documents.

- (3) Routine complaints concerning maintenance, services, or other management and administrative functions may be addressed to any member of the Board or to the Managing Agent and may be presented in writing or orally. Such routine complaints will not be addressed according to the procedure set forth in this Article unless the Board, in its sole discretion, concludes that the complaint concerns a provision of the Association Documents.
  - (4) If the Board concludes a complaint which has been made orally should be addressed under the procedures in this Article, the person making the complaint ("the Complainant") must re-submit the complaint in writing as provided in Paragraph C below.
- B. Identification of the Alleged Violator. For purposes of this Article, the phrase "Alleged Violator" refers to the individual against whom a complaint has been raised, but only until such time as the Board arrives at its final decision regarding the alleged violation.
- (1) In the case of an alleged violation by a Tenant, all Notices and reports will be provided to both the Tenant and the Unit Owner and each will be jointly and severally liable for any sanction imposed according to Paragraph I below.
  - (2) If the Alleged Violator is a non-Owner Resident or an Owner's guest, invitee, contractor, or employee, all Notices and reports will be provided to the Unit Owner deemed by the Board to be most responsible for the actions of the Alleged Violator.
  - (3) If the Alleged Violator is a Tenant, a non-Owner Resident, or a guest, invitee, contractor, or employee of a Unit Owner, the responsible Owner or his representative will appear at the hearing together with the Alleged Violator; *provided however*, that the failure of the Owner or his representative to appear at the hearing will not absolve the Owner from any sanction imposed by the Board pursuant to Paragraph I below.
  - (4) At its discretion, based on the circumstances of the individual case, the Board may advise the Alleged Violator of the identity of the Complainant at an appropriate point as the matter is being resolved and may require the Complainant to appear at a hearing.
- C. Notification of the Alleged Violation. Any Unit Owner or the Managing Agent may advise the Board of an alleged violation of a provision of the Association Documents by any other person. The notification of the alleged violation must:
- (1) be in writing addressed to the President of the Association;
  - (2) state as explicitly as possible the action or omission causing the violation;
  - (3) provide evidence to substantiate the complaint;
  - (4) identify the relevant section of the Association Document; and
  - (5) be signed and dated.

If the Board receives a complaint which does not comply with the requirements stated in the previous sentence, the Board will provide the Complainant with a copy of these requirements but will take no action on the complaint until it is re-submitted in a form which satisfies the above requirements. The Board will not consider anonymous complaints or complaints which do not include the name or Unit Number of the Alleged Violator.

D. Preliminary Actions by the Board. The President will advise the Board of the alleged violation. If the Board concludes that, under the facts and circumstances as presented by the Complainant, no violation has occurred or that the Board has insufficient information to determine if a violation has occurred, the President will so advise the Complainant in writing. If the Board concludes a violation may have occurred, the Board will determine the steps to be taken to resolve the situation, which may include one or more of the following:

- (1) an informal conversation between the Alleged Violator and any member of the Board;
- (2) an informal meeting between the Alleged Violator and at least two members of the Board;
- (3) Notice to the Alleged Violator advising him of the problem, suggesting a possible means of resolving it, and the time frame in which such steps should be taken;
- (4) with the participation of both the Complainant and the Alleged Violator, an attempt to arrive at a mutually agreeable resolution of the problem; or
- (5) other informal means of resolving the alleged violation.

If the problem is amicably resolved by one or more preliminary actions by the Board, the President will so advise the Complainant and the Alleged Violator in writing. In the event the Alleged Violator refuses or fails to resolve the problem within a reasonable time period, the Board will take the steps set out in Paragraphs E through H below to resolve the dispute.

E. Notice.

- (1) The Board will provide Notice to the Alleged Violator, setting forth the complaint; the name of the Complainant; the provision of the Association Documents to which the violation pertains; the action to be taken to cease the violation; the time period in which the action is to be taken; and the potential sanctions for failure to cease the violation ("the Violation Notice.") The Violation Notice will also provide that the Alleged Violator may present his view of the problem, in writing addressed to the President of the Association, within ten days of the date of the Violation Notice. The time period set by the Board in the Violation Notice for resolution of the problem will be reasonable, based on the action required.

- (2) If the Alleged Violator fails to comply in a timely manner with the action outlined in the Violation Notice, the Board will advise the Alleged Violator and the Complainant in writing that a hearing will be held to address the problem ("the Hearing Notice.") The Hearing Notice will advise the Alleged Violator and the Complainant of the date, time and place of the hearing; of the right to have a legal or other advisor present; and of the Board's intent, if any, to have the Managing Agent or the Association's legal counsel present at the hearing.

F. Hearing.

- (1) The hearing will be scheduled not less than ten or more than thirty days after the date of the Hearing Notice, and the Complainant and the Alleged Violator may each submit one request to reschedule the hearing to an alternative date for good cause.
- (2) The hearing will be conducted either:
  - (a) by a panel composed of three or more members of the Board and which may, at the Board's discretion, include not more than two other Residents in Good Standing chosen by the Board, the total number of panel members being an odd number for purposes of determining a Majority, or
  - (b) by the entire Board itself.
- (3) If the Complainant or the Alleged Violator or the representative of either is present at the meeting, the participating party will be deemed to have waived any objections to the Hearing Notice.
- (4) The failure of the Alleged Violator or his representative to appear at the hearing will be considered an admission that a violation has occurred as described in the Hearing Notice and that the Alleged Violator will not object to any sanction imposed by the Board for failing to remedy the violation.
- (5) All procedures at the hearing will be recorded either electronically or by a stenographer unless both parties and a Majority of the hearing panel waive this provision in writing prior to the beginning of the hearing.
- (6) At the hearing, the chairman of the panel appointed by the President or, if the Board is acting as the panel, the President of the Association, will state for the record the facts related to the alleged violation and any actions taken by the Board or the Alleged Violator through the date of the hearing in an attempt to resolve the problem.
- (7) The Complainant or his representative and the Alleged Violator or his representative may each offer an oral or written statement regarding the alleged violation. Either party may offer witnesses who are able to provide information to assist the hearing panel or Board.
- (8) At the hearing, the panel or the Board will attempt to mediate a solution to the alleged violation which is satisfactory to both parties.

- (9) The hearing need not be conducted according to technical rules pertaining to evidence and witnesses as long as the rights of the parties as set forth in this Article are protected. That is, any relevant evidence may be admitted if it is the sort of evidence upon which reasonable persons are accustomed to rely, and hearsay evidence may be used to supplement or explain other evidence but will not be sufficient in itself to support a finding.

G. Panel Report. Within ten days of the hearing, the panel will present a report in writing to the Board which contains the following:

- (1) a determination of whether a violation has occurred;
- (2) a summary of any mitigating or aggravating factors which should be considered by the Board; and
- (3) a recommendation of the sanction, if any, to be imposed by the Board.

If the Board itself has conducted the hearing, the steps outlined in this Paragraph may be combined with those described in Paragraph H.

H. Board Actions.

- (1) Within ten days of receiving the report of the hearing panel, the Board will prepare a written decision ("the Hearing Decision") to be provided to the Alleged Violator, the Complainant, and their respective representatives, if any. The Hearing Decision will include the following information:
  - (a) the date of the hearing;
  - (b) a list of all attendees at the hearing, including names, addresses and, if applicable, their affiliations;
  - (c) a summary of the complaint, including the specific provision of the Association Documents alleged to have been violated;
  - (d) a summary of actions taken by the Board or others prior to the hearing in an attempt to resolve the alleged violation;
  - (e) a summary of the findings by the Board, including references to evidence and testimony presented at the hearing; and
  - (f) the conclusion of the Board, i.e., either (i) no violation occurred, (ii) the violation has been satisfactorily remedied by the Owner, or (iii) a violation occurred but has not yet been resolved.
- (2) If the Board concludes that a violation occurred but has not yet been resolved, the Hearing Decision will also include:
  - (a) the required actions to be taken by the Owner to remedy the violation and the time period in which such actions are to be taken;

- (b) the sanction, if any, for (i) the past violation, (ii) for any continuing violation, or (iii) both; and
  - (c) a summary of the options available to the Owner if he believes the Hearing Decision is in error.
- (3) The failure of the hearing panel or the Board to take the above actions in the time designated will not invalidate the outcome of the hearing or the sanction imposed.

I. Sanctions.

- (1) At its sole discretion, the Board may impose one or more of the following sanctions either simultaneously or sequentially in the case of a continuing violation:
- (a) suspension of the Owner's right to use the Common Elements, other than access to his Unit, his Limited Common Elements, and the U.S. Postal Service area for the time the violation continues and for a period of up to sixty days after the date on which the Board agrees the violation has been cured;
  - (b) suspension of the non-complying Owner's right to vote for the period beginning on the date of the Hearing Decision until the date on which the Board agrees the violation has been cured, during which time the Total Ownership Interest will be equal to 100% minus the non-complying Owner's Total Interest and all percentages of the Total Ownership Interest will be calculated on that reduced number;
  - (c) a monetary fine not to exceed \$250.00 per day for a continuing violation, subject to the Board's discretion to reduce the amount of the fine;
  - (d) if the violation has resulted in damage to any Common Element, a monetary fine equal to the cost of restoring the Common Element to its condition prior to the violation, without limitation, subject to the Board's discretion to reduce the amount of the fine;
  - (e) if the violation has resulted in damage to the Unit, Limited Common Elements, or personal property of another Owner, a monetary fine equal to the cost of restoring the Owner's property to its condition prior to the violation, without limitation;
  - (f) a warning in terms agreed on by the Board;
  - (g) if applicable, cancellation of the Lease between an Owner and a Tenant violator upon thirty days' Notice, notwithstanding the terms of the Lease;
  - (h) if applicable, eviction of a violating Tenant or of a violating Resident who is not the Spouse or minor child of a Unit Owner; or

- (i) any other remedies permitted by the Amended Declaration, these Bylaws or the Act, including but not limited to, the recording of a lien against the Unit and its associated Limited Common Elements.
- (2) If a monetary fine is assessed or if the violating Owner is required to make repairs to any Common Element, if the violating Owner refuses or fails to pay the fine or to reimburse the Association for the cost of repairing or restoring the Common Element to its condition prior to the violation, the unpaid fines or costs will be a lien against the violator's Unit pursuant to Section 3325 of the Act and will be enforced in the same manner as any lien recognized by Pennsylvania law.
- (3) In the case of a violation by a person who is not a Unit Owner, any monetary fine may be assessed to both the Owner and the violator simultaneously at the discretion of the Board.
- (4) The fact that the Board has imposed a sanction on an Owner, a Resident of his Unit, or his Tenant does not excuse the Unit Owner from his obligation to pay on a timely basis his Annual Assessment or any Special Assessment and for the Owner, Resident or Tenant to comply with all provisions of the Association Documents.

J. Records and Service of Notices.

- (1) All Notices, correspondence, reports and other documents provided for in this Article, together with the proof of service of each document and the recording of the hearing (if any), will be retained in a confidential file maintained by the Board.
- (2) All Notices provided for in this Article will be made by (a) hand delivery by any member of the Board; (b) certified delivery by U.S. Postal Service to the address of the Owner, which will be assumed to be his Unit Number at the Building unless a different address has been provided to the Secretary pursuant to Article 4 or 14 of these Bylaws; or (c) placing the Notice in the Owner's internal mailbox at the Building.
- (3) Proof of service will be deemed adequate if a copy of the Notice or document, together with a statement of the date and manner of delivery, is entered in the minutes by the Board member who delivered the Notice.

K. Severability. Any inadvertent omission or failure to conduct proceedings in exact conformity with the provisions of this Article will not invalidate the results of such proceedings, as long as a prudent and reasonable attempt has been made to assure due process according to the steps described above.

L. Finality. The decisions of the Board are final and binding on all parties.

M. Other. Nothing in this Article will be deemed to constitute a waiver of the right of the Association, the Board or a Unit Owner to pursue any legal action. In any legal proceeding arising under the provisions of the Association Documents or the Act, the prevailing party will be entitled to recover the cost of the proceeding and such reasonable attorney fees as may be determined by a court of law.

ARTICLE 16  
Indemnification

The Association shall hold harmless and indemnify each present or former Board member and Association Officer from any or all actions or liabilities, civil or criminal, occurring by reason of good faith execution of his office, whether by action or inaction on his part and regardless of claims or adjudication of negligence on the part of any such person. This obligation includes all reasonable costs, judgments or expenses, including reasonable attorney fees and reasonable settlement agreements. No indemnification will be made with respect to any claim, issue or matter in which a Board member or Officer is determined to be, or has admitted to being, guilty of willful misconduct or gross negligence or of having breached any fiduciary duty to the Association in the performance of his duties. In the event of a settlement, the indemnification provided for in this Article will apply only if and when the Board (with the affected Board member abstaining if he is then a Board member) approves the settlement as being in the best interest of the Association.

ARTICLE 17  
Amendments

- A. Amendment of the Bylaws. These Bylaws may be amended or modified from time to time by vote of a Majority of the Total Ownership Interest.
- B. Process for Amendment. Each proposed amendment to the Bylaws must be submitted in writing to the Board for consideration. Upon the recommendation of the Board, the proposed amendment, together with an explanation of its purpose, will be circulated to the Owners not less than thirty days prior to the meeting at which a vote for or against adoption will be taken. A proposed amendment to the Bylaws will not be considered if any provision of the Amended Declaration is contradicted as a result unless and until a corresponding amendment is made to the Amended Declaration according to the procedures for amending that document. Upon approval of an amendment to the Bylaws, the Board will make any corresponding changes in the House Rules affected by that amendment.
- C. Effectiveness. Within thirty days of the approval of an amendment, any two members of the Board will execute and Record the amendment with the Department of Real Estate of Allegheny County. The amendment will become effective only upon such Recording.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its Officers this 2<sup>th</sup> day of May 2013.

THE ATRIUM CONDOMINIUM ASSOCIATION

BY:

Barton Z. Cowan  
Barton Z. Cowan  
President

Amy Hannah Kellman  
Amy Hannah Kellman  
Secretary





**Sections of Pennsylvania Uniform Condominium Act  
Referred to in Atrium Draft Bylaws and Declaration  
(as of June 14, 2010)**

NOTE: Copies of the Act redacted to eliminate provisions not applicable to the Atrium Condominium are available on request in the Atrium Office. The full text of the Act may be found at [www.parealtor.org](http://www.parealtor.org). Go to "quick links," then on the pull-down menu, click on "legal resources." Click on "laws and regulations," and near the bottom of the page, you will find "Uniform Condominium Act."

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**§ 3105. Separate titles and taxation**

- (a) TITLE. --Except as provided in subsection (b), each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.
- (b) TAXATION AND ASSESSMENT. . . . [E]ach unit together with its common element interest, . . . shall be separately taxed and assessed. . . ; otherwise, the real estate comprising the condominium may be taxed and assessed in any manner provided by law.

**§ 3219. Amendment of declaration**

. . . . .

- (d) WHEN UNANIMOUS CONSENT REQUIRED.-- Except to the extent expressly permitted or required by other provisions of this subpart, no amendment may . . . increase the number of units or change the boundaries of any unit, the common element interest, common expense liability or voting strength in the association allocated to a unit, or the uses to which any unit is restricted, in the absence of unanimous consent of the unit owners.

. . . . .

- (f) CORRECTIVE AMENDMENTS.-- *Except as otherwise provided in the declaration*, if any amendment to the declaration is necessary in the judgment of the executive board to cure any ambiguity or to correct or supplement any provision of the declaration, including the plats and plans, that is defective, missing or inconsistent with any other provision thereof or with this subpart or if an amendment is necessary in the judgment of the executive board to conform to the requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or deeds of trust on units in condominium projects (such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation), to comply with any statute, regulation, code or ordinance which may now or hereafter be made applicable to the condominium or association, or to make a reasonable accommodation or permit a reasonable modification in favor of handicapped, as may be defined by prevailing Federal or State laws or regulations applicable to the association, unit owners, residents, tenants or employees, then, at any time and from time to time, the executive board may at its discretion 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 condominium, 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 subsection.

**§ 3220. Termination of condominium**

were recorded, filed of public record or otherwise perfected before termination, may enforce those liens in the same manner as any lienholder. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

- (f) **RESPECTIVE INTERESTS OF UNIT OWNERS.--** The respective interests of unit owners referred to in subsections (c), (d) and (e) are as follows:
- (1) Except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, limited common elements and common element interests immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers shall be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25% of the votes in the association are allocated. The proportion of any unit owner's interest to that of all unit owners is determined by dividing the fair market value of that unit owner's unit and common element interest by the total fair market values of all the units and common elements.
  - (2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interests of all unit owners are their respective common element interests immediately before the termination.
- (g) **EFFECT OF FORECLOSURE OR ENFORCEMENT OF LIEN.--** Except as provided in subsection (h), foreclosure or enforcement of a lien or encumbrance against the entire condominium does not of itself terminate the condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the condominium, . . . , does not withdraw that portion from the condominium. . . .
- (h) **EXCLUSION FROM CONDOMINIUM UPON FORECLOSURE.--** If a lien or encumbrance against a portion of the real estate comprising the condominium has priority over the declaration and if the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance may, upon foreclosure, record an instrument excluding the real estate subject to that lien or encumbrance from the condominium.
- (i) **INEFFECTIVENESS OF TERMINATION PROVISION.--** In the case of a declaration that contains no provision expressly providing for a means of terminating the condominium other than a provision providing for a self-executing termination upon a specific date or upon the expiration of a specific time period, . . . .

#### § 3221. Rights of secured lenders

- (a) **SECURED LENDER APPROVAL.--** The declaration *may require* that all or a specified number or percentage of the mortgagees or beneficiaries of deeds of trust encumbering the units approve specified actions of the unit owners or the association as a condition to the effectiveness of those actions but no requirement for approval may operate to:
- (1) deny or delegate control over the general administrative affairs of the association by the unit owners or the executive board; or
  - (2) prevent the association or the executive board from commencing, intervening in or settling any litigation or proceeding or receiving and distributing any insurance proceeds

- (6) Regulate the use, maintenance, repair, replacement and modification of common elements; and to make reasonable accommodations or permit reasonable modifications to be made to units, the limited common elements or the common elements to accommodate handicapped, as defined by prevailing Federal, State or local statute, regulations, code or ordinance, unit owners, residents, tenants or employees.
- (7) Cause additional improvements to be made as a part of the common elements.
- (8)
  - (i) Acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property other than common elements; and
  - (ii) Convey or subject to a security interest common elements only pursuant to the provisions of section 3318 (relating to conveyance or encumbrance of common elements).
- (9) Grant easements, leases, licenses and concessions through or over the common elements, but any such easement, lease, license or concession:
  - (i) that is not for the benefit of all or substantially all of the unit owners shall not be granted without the same unit owner approval that is required for an amendment to the declaration; or
  - (ii) that materially impairs any right or benefit that one or more unit owners may have with respect to the common elements shall not be granted without the prior written approval of those unit owners.
- (10) Impose and receive any payments, fees or charges for the use, rental or operation of the common elements other than limited common elements described in section 3202(2) and (4) (relating to unit boundaries).
- (11) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws and rules and regulations of the association.
- (12) Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates required by section 3407 (relating to resales of units) or statements of unpaid assessments. In addition, the association may impose a capital improvement fee, but no other fees, on the resale or transfer of units. . .
- (13) Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance.
- (14) Exercise any other powers conferred by the declaration or bylaws.
- (15) Exercise all other powers that may be exercised in this Commonwealth by legal entities of the same type as the association.

the executive board may fill vacancies in its membership for the unexpired portion of any term. The executive board shall deliver to all unit owners copies of each budget approved by the executive board and notice of any capital expenditure approved by the executive board promptly after either such approval. In addition to other rights conferred by the declaration, bylaws or this subpart, the unit owners, by majority or any larger vote specified in the declaration, may reject any budget or capital expenditure approved by the executive board, within 30 days after the approval.

.....

- (e) **ELECTION OF MEMBERS AND OFFICERS FOLLOWING DECLARANT CONTROL.--** Not later than the termination of any period of declarant control, the unit owners shall elect an executive board of at least three members at least a majority of whom must be unit owners, . . . The executive board shall elect the officers. The persons elected shall take office upon election. . . . .

**§ 3306. Bylaws**

- (a) **MANDATORY PROVISIONS.--** The bylaws of the association must provide for:
- (1) The number of members of the executive board and the titles of the officers of the association.
  - (2) Election by the executive board of a president, treasurer, secretary and any other officers of the association the bylaws specify.
  - (3) The qualifications, powers and duties, terms of office and manner of electing and removing executive board members and officers and filling vacancies.
  - (4) Which, if any, of its powers the executive board or officers may delegate to other persons or to a managing agent.
  - (5) Which of its officers may prepare, execute, certify and record amendments to the declaration on behalf of the association.
  - (6) The method of amending the bylaws.
- (b) **OTHER PROVISIONS.--** *Subject to the provisions of the declaration*, the bylaws may provide for any other matters the association deems necessary and appropriate.

**§ 3310. Voting; proxies**

- (a) **UNIT OWNER OTHER THAN NATURAL PERSON.--** If the owner of a unit is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to cast the vote for such unit shall be the person named in a certificate executed by such entity pursuant to its governing documents. If the owner of a unit is a trust, the trustee or trustees shall be deemed to be the owner for the voting purposes. Where the ownership of a unit is in more than one person, the natural 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 or the failure to execute and file such a

association or the unit owners.

- (c) **CONTENTS OF INSURANCE POLICIES.--** Insurance policies carried pursuant to subsection (a) must provide that:
- (1) Each unit owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the common elements or membership in the association.
  - (2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of his household.
  - (3) No act or omission by any unit owner, unless acting within the scope of his authority on behalf of the association, will void the policy or be a condition to recovery under the policy.
  - (4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.
- (d) **PROCEEDS FROM PROPERTY INSURANCE.--** Any loss covered by the property policy under subsection (a)(1) shall be adjusted with the association but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose or otherwise to the association and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and lienholders as their interests may appear. Subject to the provisions of subsection (g), the proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units and unit owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the common elements and units have been completely repaired or restored or the condominium is terminated.
- (e) **UNIT OWNER MAY OBTAIN INSURANCE.--** A unit owner may insure his unit for all losses to his unit, including all losses not covered by the insurance maintained by the association due to a deductible provision or otherwise. An insurance policy issued to the association shall not prevent a unit owner from obtaining insurance for his own benefit.
- (f) **EVIDENCE AND CANCELLATION OF INSURANCE.--** An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the association and, upon request, to any unit owner, mortgagee or beneficiary under a deed of trust. The insurance may not be cancelled until 30 days after notice of the proposed cancellation has been mailed to the association, each unit owner and each mortgagee or beneficiary under a deed of trust to whom certificates of insurance have been issued.
- (g) **DISPOSITION OF INSURANCE PROCEEDS.-**
- (1) Any portion of the condominium damaged or destroyed shall be repaired or replaced promptly by the association unless:

fine becomes due. The association's lien may be foreclosed in like manner as a mortgage on real estate. A judicial or other sale of the unit in execution of a common element lien or any other lien shall not affect the lien of a mortgage thereon, except the mortgage for which the sale is being held, if the mortgage is or shall be prior to all other liens upon the same property except those liens identified in 42 Pa.C.S. § 8152(a) (relating to judicial sale as affecting lien of mortgage) and liens for condominium assessments created under this section. ***Unless the declaration otherwise provides***, fees, charges, late charges, fines and interest charged pursuant to section 3302(a)(10), (11) and (12) (relating to powers of unit owners' association) and reasonable costs and expenses of the association, including legal fees, incurred in connection with collection of any sums due the association by the unit owner or enforcement of the provisions of the declaration, bylaws, rules or regulations against the unit owner are enforceable as assessments under this section. If an assessment is payable in installments and one or more installments is not paid when due, the entire outstanding balance of the assessment becomes effective as a lien from the due date of the delinquent installment.

- (b) **PRIORITY OF LIEN.-- (1) GENERAL RULE.--** A lien under this section is prior to all other liens and encumbrances on a unit except:
- (i) Liens and encumbrances recorded before the recordation of the declaration.
  - (ii) (A) Mortgages and deeds of trust on the unit securing first mortgage holders and recorded before the due date of the assessment, if the assessment is not payable in installments, or the due date of the unpaid installment, if the assessment is payable in installments.  
  
(B) Judgments obtained for obligations secured by mortgages or deeds of trust under clause (A).
  - (iii) Liens for real estate taxes and other governmental assessments or charges against the unit.
- (2) **LIMITED NONDIVESTITURE.--** The association's lien for assessments shall be divested by a judicial sale of the unit:
- (i) As to unpaid common expense assessments made under section 3314(b) (relating to assessments for common expenses) that come due during the six months immediately preceding the date of a judicial sale of a unit in an action to enforce collection of a lien against a unit by a judicial sale, only to the extent that the six months' unpaid assessments are paid out of the proceeds of the sale.
  - (ii) As to unpaid common expense assessments made under section 3314(b) other than the six months assessment referred to in subparagraph (i), in the full amount of these unpaid assessments, whether or not the proceeds of the judicial sale are adequate to pay these assessments. To the extent the proceeds of the sale are sufficient to pay some or all of these additional assessments, after satisfaction in full of the costs of the judicial sale, and the liens and encumbrances of the types described in paragraph

owners.

- (10) A statement as to whether the executive board has knowledge that any alterations or improvements to the unit or to the limited common elements assigned thereto violate any provision of the declaration.
  - (11) A statement as to whether the executive board has knowledge of any violations of applicable governmental requirements or knowledge of the existence of any hazardous conditions pursuant to section 3402(a)(26) (relating to public offering statement; general provisions) or with respect to the unit, the limited common elements assigned thereto or any other portion of the condominium.
  - (12) A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal thereof.
  - (13) A statement as to whether the declaration provides for cumulative voting or class voting.
  - (14) A statement as to whether an agreement to terminate the condominium has been submitted to the unit owners for approval and remains outstanding.
  - (15) A statement of whether the condominium is a master association or is part of a master association or could become a master association or part of a master association.
  - (16) A statement describing which units, if any, may be owned in time-share estates and the maximum number of time-share estates that may be created in the condominium.
  - (17) A statement of whether the declarant retains the special declarant right to cause a merger or consolidation of the condominium and, if so, the information describing such right which was supplied by the declarant pursuant to section 3205(13) (relating to contents of declaration; all condominiums), if any.
- (b) INFORMATION SUPPLIED BY ASSOCIATION.-- The association, within ten days after a request by a unit owner, shall furnish a certificate containing the information and copies of documents necessary to enable the unit owner to comply with this section. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate.