

ENTERED FOR RECORD  
1981 MAR 20 AM 10:06CORRECTION TO DECLARATION OF CONDOMINIUM  
FOR  
AMBASSADOR ASSOCIATION

This Correction of Declaration of Condominium is made on the date hereinafter set forth by Unico Corporation, hereinafter referred to as "DECLARANT".

WHEREAS, Declarant on the 20th day of May, 1980 caused to be recorded a Declaration of Condominium for Ambassador Association; said Declaration appeared recorded in Miscellaneous Book 150 at page 552 in the Office of the Recorder of Deeds of Centre County, Pennsylvania; and

WHEREAS, Declarant to the date of this Correction has sold no units in the property thereby submitted to the provisions of the Pennsylvania Unit Property Act; and

WHEREAS, Declarant hereby desires correct certain provisions contained in the aforementioned Declaration.

NOW, THEREFORE, Declarant hereby declares that the Declaration of Condominium for Ambassador Association recorded in Miscellaneous Book 150 at page 552 in the Office of the Recorder of Deeds of Centre County, Pennsylvania is hereby corrected as follows:

1. Paragraph (1) of Article III of the said Declaration is hereby corrected to read as follows: "The property includes 62 existing residential dwelling units and 5 commercial units together with-----."

2. ARTICLE V, SECTION 5: is hereby corrected to read as follows: "Nothing shall be done or kept in any residential unit or the common elements which will increase the rate of insurance of any building or the contents thereof without prior written consent of the council.

Recorded in the office for the recording  
of Deeds, etc. in and for Centre County  
in Book No. 155 at page 773  
on 20 day of March A.D. 19 81

Witness my hand and seal of office

*John W. Miller*  
Recorder

No residential unit owner shall permit anything to be done or kept in his unit or in the common elements which will result in cancellation of insurance on the building or the contents thereof, or which will be in violation of the law. In the event of any lawful activity in a commercial unit shall cause an increase in the rate of insurance, such increase shall be borne by the owner of that commercial unit."

3. ARTICLE V, SECTION 6: is hereby corrected to read as follows: "No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept in any unit or in the common elements."

4. ARTICLE VI, SECTION 1: is hereby corrected to read as follows: "First Council Members. The names of the first members of Council are: Henry D. Sahakian, Thomas Daley, Eugene A. Fasick, Daniel Wallace and John L. Geiser.

They shall serve until their successors have been elected at the first annual meeting of the Unit Owners, held pursuant to the Code of Regulations, and after deeds have been recorded, placing title to at least 90% of the Residential Units in the names of the Owners other than Declarant. Should any of any of the above named die, resign, or otherwise become unwilling or unable to serve as members of the Council, the remaining members shall elect a successor or successors to serve for the balance of the term."

5. ARTICLE VII, SECTION 1: is hereby corrected to read as follows: "The Declarant, for each unit owned, hereby covenants and each subsequent unit owner by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is conclusively deemed to covenant and agree to pay the Council or its designee, as representative of Ambassador Association, a Condominium, such assessments and/or charges as may be levied by the Council to cover the common expenses incurred in maintaining, improving and managing Ambassador Association, a Condominium, the share thereof to be determined for each unit owner

Such assessment and/or charge shall run with the land and shall be a continuing lien upon each unit until paid. Such assessment and/or charges may be enforced in any court of law or equity having jurisdiction thereof, as provided by the Act. The lien of the assessments and/or charges provided for herein shall be subordinate to the lien of any first mortgage."

6. ARTICLE X: is hereby corrected to provide that the Declarant shall retain the power of attorney only until 90% of the residential units have been sold.

7. ARTICLE XI: is hereby corrected to read as follows: "While the Declarant owns 10% of the residential units this Declaration may not be amended by vote of the unit owners subject to the restrictions of the Act, by the affirmative vote of 90% of the residential unit owners of the common interest. No correction shall be effective until properly recorded."

8. ARTICLE XII, SECTION 3: The last sentence thereof is hereby corrected to read as follows: "Such decision of the Council to probate shall be based on a sound engineering or other factual determination."

Unit G-5 being unique in nature when compared to the other units, shall alone bear all expenses unique or incurred by it, (such as snow removal, maintenance of the parking lot, lot meters, lights and light standards) but shall not be required to share in Common Expense incurred solely by the other units. In the event that Unit G-5 is improved, all expenses shall be separately determined and assessed to that Unit. The owner of Unit G-5 shall have the right to improve that unit, including the right to construct a building or buildings thereon, without further approval of the Association or the Council.

9. Exhibit "B" is hereby corrected to read as follows:

UNIT NUMBER	% OF OWNERSHIP IN COMMON ELEMENTS	VOTES
G-1	8.93	8.93
G-2	1.92	1.92
G-3	1.92	1.92
G-4	5.05	5.05

Continued

G-5	4.07	4.07
A-2	.96	.96
A-3	.96	.96
A-4	.96	.96
A-5	.96	.96
A-6	.96	.96
A-7	.96	.96
A-8	.96	.96
A-9	.96	.96
A-10	.96	.96
A-11	1.96	1.96
A-12	1.66	1.66
A-13	1.66	1.66
A-14	1.66	1.66
A-15	3.34	3.34
B-1	.96	.96
B-2	.96	.96
B-3	.96	.96
B-4	.96	.96
B-5	.96	.96
B-6	.96	.96
B-7	.96	.96
B-8	.96	.96
B-9	.96	.96
B-10	.96	.96
B-11	1.96	1.96
B-12	1.66	1.66
B-13	1.66	1.66

Continued

BOOK 155 PAGE 777

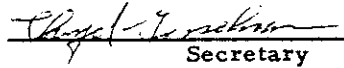
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B-16	1.53	1.53
C-1	.96	.96
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C-4	.96	.96
C-5	.96	.96
C-6	.96	.96
C-7	.96	.96
C-8	.96	.96
C-9	.96	.96
C-10	.96	.96
C-11	1.96	1.96
C-12	1.66	1.66
C-13	1.66	1.66
C-14	1.66	1.66
C-15	1.66	1.66
C-16	1.53	1.53
D-1	.96	.96
D-2	.96	.96
D-3	.96	.96
D-4	.96	.96
D-5	.96	.96
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D-10	.96	.96

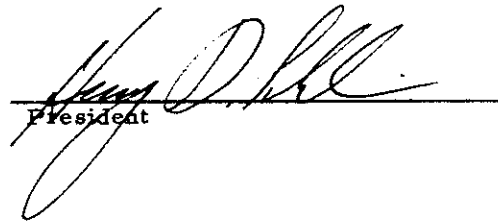
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D-11	1.96	1.96
D-12	1.66	1.66
D-13	1.66	1.66
D-14	1.66	1.66
D-15	1.66	1.66
D-16	1.53	1.53
	<hr/>	<hr/>
	100.00%	100.00

IN WITNESS WHEREOF, the Declarant has caused this Correction of Declaration of Condominium to be executed at State College, Pennsylvania, this 10th day of October, 1980.

ATTEST:

  
Secretary

  
President

COMMONWEALTH OF PENNSYLVANIA

:SS

COUNTY OF CENTRE

On this the 10th day of October, 1980 before me, the undersigned officer, personally appeared Henry D. Sahakian, president of Unico Corporation, being authorized to do so, executed the foregoing Correction for the purposes therein contained.

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

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My commission expires:

MYRNA J. ALTEMO, Notary Public  
State College, Centre Co., Pa.  
My Commission Expires Mar. 20, 1982

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DECLARATION OF CONDOMINIUM  
FOR  
AMBASSADOR ASSOCIATION

THIS DECLARATION is made on the date hereinafter set forth by  
UNICO CORPORATION, hereinafter referred to as "DECLARANT"

WHEREAS, DECLARANT, is the owner of certain property located  
at 421 East Beaver Avenue, State College, Centre County, Pennsylvania,  
which is more particularly described in Article II, Section 2 herein, and  
which DECLARANT desires be of condominium use and ownership;

NOW, THEREFORE, DECLARANT hereby declares that it is the  
express purpose, desire and intention of the DECLARANT to submit  
improvements thereon, to the provisions of the Pennsylvania Unit  
Property Act (68 P.S. § 700.101, et seq.) (hereinafter called the "ACT")  
for the specific purpose of creating and establishing AMBASSADOR  
ASSOCIATION, and accordingly said property shall be used, held, sold,  
and conveyed subject to: (i) the provisions of the aforesaid Act, and to:  
(ii) the provisions of the Declaration, and to: (iii) the Declaration Plan,  
and to: (iv) the Code of Regulations, each as is recorded or to be recorded,  
and subject also to: (v) such Rules and Regulations as the Condominium  
Council may duly adopt, and each and all of the aforesaid five provisions  
being for the purposes of effecting this condominium and of protecting  
the value and desirability of said property and of each part thereof, which  
provisions shall run with the real property and be binding on all parties  
having any right, title or interest in the property or any part thereof,  
and their heirs, administrators, successors and assigns, and shall inure  
to the benefit of each owner thereof.

Recorded in the office for the recording  
of Deeds, etc. in and for Centre County  
in Book No. 150 at page 552  
20 day of May A.D. 19 80  
Witness my hand and seal of office

ENTERED FOR  
1980 MAY 20 P.M.

ARTICLE I. DEFINITIONS

The following words or phrases when used in this Declaration shall have the meanings ascribed to them in this section, unless the context of the Unit Property Act clearly indicates or requires otherwise:

- (1) ASSESSMENTS shall mean and refer to those amounts levied by the Council, in accordance with Sections 700.102 (4), 700.311, 700.702 and 700.703 of the Unit Property Act, against the units and payable by the Unit Owners pursuant to authority granted in the Unit Property Act, this Declaration and the Code of Regulations in order to enable it adequately to operate, maintain, repair, improve, and reconstruct the Condominium Property or otherwise to further the aims of the Condominium, Common Charges, Special Assessments and fines are all types of Assessments. Assessments shall be a lien against each unit which may be perfected as provided by law.
- (2) BUILDING means the structure, as well as other improvements comprising a part of the Condominium Property and used, or intended for use for residential, commercial, or other lawful purpose or for any combination of such lawful uses.
- (3) CODE OF REGULATIONS means such governing regulations as are adopted pursuant to the Unit Property Act for the regulations and management of the Condominium Property including such amendment thereof as may be adopted from time to time, The initial Code of Regulations for the Condominium is filed simultaneously herewith.
- (4) COMMON CHARGES refers to those annual assessments levied, in accordance with Sections 700.102 (4), 700.311, 700.702 and 700.703 of the Unit Property Act, against the Units and payable by the Unit Owners in monthly installments in order to defray the Common Expenses and established operating and capital replacement or improvement reserves.
- (5) COMMON ELEMENTS, GENERAL COMMON ELEMENTS, COMMON AREAS OR COMMON FACILITIES means and includes the following:
  - (i) the land on which the Building is located and all portions of any Building which are not included in any unit, and
  - (ii) the foundations, structural parts, supports, roofs, storage rooms, and
  - (iii) portions of the land and building, used exclusively for the management, operation or maintenance of the Common Elements, ar
  - (iv) installations of all central services and utilities nor specifically included in the units; and
  - (v) all apparatus and installations existing for common use, and
  - (vi) all other elements of any Building necessary or convenient to its existence, management, operation, maintenance and safety or normally in common use; and

(vii) such other facilities as are described in this Declaration as Common Elements.

- (6) LIMITED COMMON ELEMENTS, or LIMITED COMMON AREAS means all those areas designated in this Declaration or the Declaration Plan or by resolution of the Council as reserved for the use of certain Unit or Units to the exclusion of other Units. Such right of use may be reserved as an interest appurtenant to a particular Unit or Units, but in all other respects shall be and remain Common Elements or Common Areas.
- (7) COMMON EXPENSES means and includes: (a) expenses of administration, maintenance, repair and replacement of the Common Elements, (b) expenses agreed upon as common by all the Unit Owners, (c) expenses declared common by the provisions of the Act, or by this Declaration or of the Code of Regulations; and (d) expenses duly declared common by the Council pursuant to the provisions of this Declaration or of the Code of Regulations; and as provided under any amendments made to said Act or instruments.
- (8) CONDOMINIUM for the purpose of this Declaration, means the building located on the property in which individual units are owned by individual Unit Owners in fee simple with each Unit Owner being entitled to the exclusive ownership and possession of his unit, to an exclusive easement for the use of the Limited Common Elements appurtenant to his Unit, and to any undivided interest in the Common Elements of the whole project and property which is the subject of this Declaration.
- (9) DECLARATION means this instrument by which the Property is submitted to the provisions of the Act, and any amendments hereto.
- (10) DECLARATION PLAN means a professionally prepared plan of the property under §402 of the Act. Said plan is recorded or to be recorded.
- (11) COUNCIL means a board of natural individuals of the number stated in the Code of Regulations, who are residents of the Commonwealth of Pennsylvania and who need not be Unit Owners. The Council shall manage the business, operation, and affairs of the Condominium, on behalf of the Unit Owners, in compliance with and subject to the provisions of the Unit Property Act, this Declaration and the Code of Regulations. The Council may take title to real or personal property as Agent, Nominee or Trustee for the Condominium.
- (12) AMBASSADOR ASSOCIATION or ASSOCIATION means all of the Unit Owners in the Buildings, bound individually and as a group pursuant to this Declaration and to the Code of Regulations.

- (13) MAJORITY or MAJORITY OF THE UNIT OWNERS means the owners of more than fifty percent (50%) in the aggregate or ownership in the Common Elements, tabulated according to votes so based and assigned in Exhibit "B" under Article IV, Section 2.
- (14) PERSON means a natural individual, corporation, partnership, association, trustee or legal entity.
- (15) PROPERTY means and includes the land, the building, all improvements thereon and therein, and all easements, rights and appurtenances belonging thereto, which are represented in the Declaration Plan and are declared this instrument to be submitted to the provisions of the Act.
- (16) RECORDED means that an instrument has been duly entered of record in the Office of the Recorder of Deeds of Centre County, Pennsylvania.
- (17) RECORDER: means the Recorder of Deeds of Centre County, Pennsylvania.
- (18) REVOCATION means an instrument signed by all of the Unit Owners and by all holders of liens against the Units by which the property is removed from the provisions of the Act.
- (19) UNIT means a residence component as a part of a building designed and intended for independent private use, and designated as a unit by the Declaration Plan, and the same shall include its assigned proportionate undivided interest in the Common Elements, and shall include also all of the rights, privileges, immunities, and obligations attaching thereto as is provided and referred to herein.
- (20) UNIT DESIGNATION means the number, letter or combination thereof designating a unit in the Declaration Plan.
- (21) UNIT OWNER means the person or persons owning a unit by deed as provided in said Act.

## ARTICLE II

### Name and Descriptions

SECTION 1. Name. The name by which the Property will be known is AMBASSADOR BUILDING. The name under which the business operation and affairs of the Property and Unit Owners shall be managed on behalf of the Unit Owners is AMBASSADOR ASSOCIATION, a collectivity of unit owners under the Pennsylvania Unit Property Act.

Section 2. Description of Property. The Property herewith submitted to the condominium form of ownership under the Act is described on Sheet No. 1 of the Declaration Plan, as AMBASSADOR ASSOCIATION, a Condominium, and is also legally described as is set forth on Exhibit "A", attached hereto as a part hereof.

ARTICLE III  
Declaration Plan

(1) The Property includes 62 existing residential dwelling units and 4 commercial<sup>add</sup> units together with Common Elements as shown on a Declaration Plan for AMBASSADOR ASSOCIATION.

The Declaration Plan will be recorded in the Office of the Recorder of Deeds of Centre County, Pennsylvania simultaneously with this Declaration and is incorporated herein by reference.

(2) (i) Each respective unit shall include only the area within the boundary lines as describe below and as specifically delineated on a plan referred to in Paragraph (2) sub-paragraph(iii) of this Article.

*disposition* (ii) The exterior boundary lines of each unit are the interior unfinished surface of the ceiling or roof, floors, perimeter walls, including, but not limited to, the ceilings, floors and perimeter walls, and entry ways and interior load bearing walls and beams, windows and doors thereof, projected, if necessary by reason of structural divisions such as interior walls, floors, ceilings and other partitions, as may be necessary, to form a complete enclosure of space with respect to such Unit (the layout and dimensions of each unit being shown on the plan) and including, without limitation, all space occupied by any Common Elements located within such unit, together with the decorated surfaces, tile and any other finishing material applied to interior walls, doors, floors and ceilings and interior surfaces of perimeter walls, windows, doors, floors and ceilings.

*Cond.* (iii) The interior partitions or walls within the confines or boundary lines of each unit are approximately placed on the Declaration Plan of the Condominium, recorded simultaneously with the recording hereof in the Office of the Recorder of Deeds of Centre County, Pennsylvania. These interior partitions or walls may, from time to time, be removed or replaced subject to the approval of the Council; in the event a Unit Owner does remove or replace any or all interior partitions or walls, no amendment of the Declaration Plan will be necessary or required.

#### ARTICLE IV

##### Description of Common Elements

- (1) Description of Common Elements. The Common Elements are as defined above and consist of all parts and portions of the Property not included in Units and not including such portion of the Property or rights therein as are otherwise owned and reserved. The Common Elements specifically include all items of service, use or benefit to more than one Unit and as so designated, installed, and provided by Declarant, or by the Council.
- (2) Interest in Common Elements. Each Unit Owner shall own an undivided interest in the Common Elements (expressed as a percentage) allocated to the respective Unit owned by such Unit Owner as set forth in the Schedule attached hereto as Exhibit "B" and incorporated herein by reference. Such ownership runs with title to each Unit and may not be separated therefrom, provided, however, that the proportionate undivided interest in the Common Elements (expressed as a a percentage) may be altered by the recording of an amendment to this Declaration, duly executed by all Unit Owners affected thereby. At all times the total of all undivided interests shall aggregate 100%.

(3) Special Uses. Certain parts or portions of the Common Elements may be specially assigned by the Council for use by particular Unit Owners, and such assignments shall be reasonably made with consideration for such assignees as well as for others as may be concerned or affected.

(4) Easements:

(a) Each Unit Owner shall have easements and shall be subject to easements as set forth in Article IX hereof

(b) The Property and all parts thereof are subject to rights of way, easements, covenants, restrictions or conditions as may be set forth in prior instruments of record, and to rights of way for utilities now or hereafter established or granted by Declarant or by the Council.

ARTICLE V

Use, Purpose and Restrictions

The Property, including the building, the Units and the Common Elements are intended to be used for the following purposes and their use is hereby restricted as follows:

Section 1. Unit Restrictions. No residential Unit may be divided or subdivided into a smaller unit, nor may any portion of any residential unit be added to or incorporated into another Unit, nor any portion less than all thereof sole or otherwise transferred without first amending the Declaration to show the changes in the Units to be affected thereby.

Section 2. Use. Each residential unit is hereby restricted to residential use by the Unit Owner thereof, his tenants, his immediate family guests and invitees. Each of the Units is intended for dependant use and shall be used only as a residence and for purposes incidental to

such use. The Declarant however shall have the right to use any Units owned by it for models and for sales and administrative offices. Each Commercial Unit is hereby restricted to such commercial uses as are permissible and lawful under all applicable laws and ordinances.

Section 3. Repair. Each Unit Owner shall be obligated to maintain his own Unit and keep it in good order and repair. Residential Unit Owners shall replace and repair their individual air conditioning equipment; the cost of repair and replacement of the commercial central air conditioning equipment shall be assessed to the Commercial Unit Owners.

Section 4. Common Elements. (a) There shall be no obstruction of the Common Elements nor shall anything be stored in or on the Common Areas without the prior written consent of the Council or except as hereinafter expressly provided. No Owner or group of Owners shall build, plant or maintain any matter or thing upon, over or under the Common Elements except with the express permission of the Council in writing first had and obtained.

No trash, garbage, refuse, debris or excess materials of any kind shall be placed on or about the Common Elements except in receptacles specifically designated therefor. No one shall burn, chop, or cut anything on, over or above the Common Elements. Unit Owners shall not have any right to paint or otherwise decorate or change the appearance of any portion of the exterior of the building. Each Unit Owner is responsible to report promptly to the Council any defect or need for repairs the responsibility for which is that of the Council.

(b) Unit Owners shall not cause or permit anything to be hung, painted or displayed on the outside of windows or doors or on the outside walls of the Building and no sign, shutter, CB, radio, television or other antenna shall be affixed or placed upon the exterior walls or roof of the Building without the prior written consent of the Council, excepting one



temporary sign of not more than three square feet advertising the property for sale or rent.

(c) No clothes, sheers, blankets, laundry of any kind or any other articles shall be hung or exposed on any part of the Common Elements or Limited Common Elements.

(d) The Common Elements shall be used only for the furnishing of the services and facilities for which they are intended and which are incident to the use and occupancy of the Units.

Section 5. Insurance. Nothing shall be done or kept in any <sup>Unit</sup> Unit or the Common Elements which will increase the rate of insurance of any Building or the contents thereof without prior written consent of the Council. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building or the contents thereof, or which will be in violation of the law.

Section 6. Pets. No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that dogs, cats or other household pets, not to exceed one <sup>pet</sup> pet per Unit, may be kept, subject to the rules and regulations to be adopted by the Council and provided they are not kept, bred or maintained for any commercial purposes. Any such pet causing or creating a nuisance or unreasonable disturbance or noise or causing unreasonable odor, shall be permanently removed from the Property upon three (3) days written notice from Council. All household pets must be on a leash held by an adult when outside a Unit and must be registered with the Council. No pet may be tied or leashed to or on any Common Element, except when an adult holds the leash. All Unit Owners will be responsible for the prompt disposal of all pet litter.

Section 7. Nuisance. No noxious or offensive activity shall be permitted in any Unit or in or on the Common Elements nor shall anything be done therein either willfully or negligently which may be or become any annoyance or nuisance to the other Unit Owners or occupants.

Section 8. Structural Change. Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Building or which will structurally change the Building.

Section 9. Business or Profession. No industry, business, trade, occupation, or profession of any kind, be it commercial, religious, educational, or otherwise, may be conducted, maintained or permitted in the Residential Units.

Section 10. Ordinances. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Condominium shall be observed by each Unit Owner and the Council.

Section 11. No one may overload the electrical wiring in the Building or operate any machinery, appliance, accessories, or equipment in such a manner as to cause, in the judgment of the Council any unreasonable disturbance, or make any alterations or connections with the heating or plumbing systems without the prior written consent of Council.

Section 12. Mailboxes. Mailboxes shall be retained as the same now are or, as designated by the Council from time to time in the future. No Unit Owner shall keep or maintain a distinctive or different mailbox than as set forth herein.

Section 13. Leasing. A Unit may be rented for residential purposes by the Owner thereof under a lease for a term of at least one month, providing that the lease is made subject to all provisions as affect the Owner himself to the end that the tenant shall be bound at least as is the Owner with reference to possession, use, and occupancy, and in all ways pertaining thereto.

ARTICLE VI

COUNCIL

Section 1. First Council Members. The names of the first member of Council are: Henry D. Sahakian, Thomas Daley, Eugene A. Fasick, Daniel Wallace and John L. Geiser.

They shall serve until their successors have been elected at the first annual meeting of the Unit Owners, held pursuant to the Code of Regulations, and after Deeds have been recorded, placing title to at least <sup>90%</sup> 100% of the Residential Units in the names of the Owners other than Declarant. Should any of the above-named die, resign, or otherwise become unwilling or unable to serve as members of the Council, the remaining members shall elect a successor or successors to serve for the balance of the term.

Section 2. Voting. Each Unit Owner is automatically a member of the Association. Upon termination of his ownership of a Unit, his membership thereupon automatically terminates and thereupon transfers and inures to the new Unit Owners. Each Unit Owner shall be entitled to the same number of votes as are assigned to his Unit hereunder and under any amendments hereto. The first such meeting of Unit Owners shall take place in accordance with Section 1 of this Article and with the provisions of the Code of Regulations.

Section 3. Powers and Duties. The Council and the Declarant appointed Council shall have all the powers and duties necessary for the administration of the affairs of the Condominium and may perform all acts and things as are not by statute or by this Declaration or the Code of Regulations directed to be exercised and done by the Unit Owners. The powers and duties of the Council shall include, but not be limited to the following:

(a) Up-keep and Maintenance. To provide for the operation, care, up-keep and maintenance of the Condominium Property in a manner consistent with law and the provisions of this Declaration and the Code of Regulations.

(b) Common Expenses. To provide for the establishment and collection of Assessments and/or Common Charges from the Unit Owners and the Assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of the Declaration and the Code of Regulations.

(c) To provide for the employment of personnel necessary to maintain, operate, renovate and improve the Condominium Property and the provision of services for the Condominium Property in the manner consistent with law and the provisions of the Declaration and the Code of Regulations.

(d) To provide for the promulgation and enforcement of such rules and regulations, restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of the Condominium Property, including the General and Limited Common Elements, all of which shall be consistent with law and the provisions of this Declaration and the Code of Regulations.

## ARTICLE VII

### Common Expenses

#### Section 1. Condominium Expenses. The Declarant, for each

Unit owned, hereby covenants and each subsequent Unit Owner, by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is conclusively deemed to covenant and agree to pay to the Council or its designee, as representative of AMBASSADOR ASSOCIATION. A Condominium, such assessments and/or charges as may be levied by the Council to cover the reasonable share of Common Expenses incurred in maintaining, improving, and managing AMBASSADOR ASSOCIATION, a Condominium. Such assessment and/or charges shall run with the land and shall be a continuing lien upon each Unit until paid. Such assessments and/or charges may be enforced in any court of law or equity having jurisdiction thereof, as provided by the Act. The lien of the assessments and/or charges provided for herein shall be subordinate to the lien of any first mortgage.

Section 2. Special Expenses. Where in the judgment of the Council it is determined that an expense is peculiar to, caused by or

of special benefit to only certain Units, one or more, and is not foreseeably to be repeated generally throughout the Property, it shall make a special assessment on such account against only such Units as are so affected, and the same shall be subject to the foregoing provisions of Section 1, hereof, like any other assessment.

#### ARTICLE VIII

##### Persons to Receive Service

Any member of the Council is hereby designated to receive service of process in any action which may be brought against two or more Unit Owners or relating to the Common Elements and Facilities.

#### ARTICLE IX

##### Easements

Section 1. Enjoyment of Common Elements. Every Unit Owner shall have a perpetual right and easement of enjoyment and ingress and egress in and to the unlimited Common Elements (as distinguished from Limited Common Elements) and such easement shall be appurtenant to and shall pass with the title to every Unit.

Section 2. Encroachments and Support. Each Unit and the Common Elements shall be subject to an easement for encroachments created by construction, settling and overhangs in the Units or the Common Elements as constructed, repaired, renovated or improved. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist. In the event that any Building is partially or totally destroyed and then rebuilt, the Owners of the Units so affected agree that minor encroachments of parts of the adjacent Units or Common Elements due to said encroachment and the maintenance thereof shall exist. Every portion of a Unit contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit. Also, a valid easement shall and does exist in favor of each Owner to make

reasonable use, not inconsistent with the terms of this Declaration, of the exterior wall of any adjoining Unit where the outer unfinished surface of such wall shall serve and separate any portion of such Owner's Unit or Limited Common Element appertaining thereto and such adjoining Unit notwithstanding the inclusion of such wall within the vertical boundaries of such adjoining Unit.

Section 3. Utilities, etc. There is hereby granted a blanket easement upon, across, over and under all of the Property for all utilities including, but not limited to, water, sanitary and storm sewers, gas, telephone, electricity and heating oil lines and drains. By virtue of this easement, it shall be expressly permissible for the providing utility company or other responsible party to erect and maintain the necessary poles and other necessary equipment on the Property and to affix and maintain utility wires, circuits, conduits, and pipes, on, above, across, and under the roofs, flooring, basements, patios, and exterior walls of the Units.

Section 4. Pedestrian/Vehicular Traffic - Common Elements.

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

Section 5. Unit Inspection. The Units shall be and are hereby made subject to the following easements:

(i) In favor of the Council or its designee for inspection of the Units for the purpose of verifying of performance by Unit Owners of all items of maintenance and repair for which they are responsible, for inspection of the condition of the Common Elements, situated in or accessible from such Unit, for correction of emergency conditions in each Unit or casualties to such Common Elements and/or Unit, for repairing, replacing and improving Common Elements therein or elsewhere in the Buildings, to abate any violation of law, orders,

rules or regulations of any governmental authorities having jurisdiction, to correct any condition which violates the provisions of any mortgage and for such other purpose as may be reasonably required to carry out its duties, it being understood and agreed that the Council and its agents shall take reasonable steps to minimize any interference with the Unit Owner's use of his Unit resulting from the Council's exercise of the foregoing rights pursuant to this Section or any other provision of this Declaration; and

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

(iii) There is hereby granted a blanket easement to the Council or its officers, agents and employees, to any Manager employed by or on behalf of the Council and to all policemen, firemen, ambulance personnel and all other similar persons to enter upon the Property or any part thereof in the proper performance of their respective duties and for repair and maintenance of Common Elements, including the Limited Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this paragraph shall be exercised only during reasonable daylight hours and then whenever practicable, only after advance notice to and with the permission of the Owner or Owners directly affected thereby.

Section 6. If a Unit or Units shall encroach upon any Common Element or upon any other Unit by reason of original construction or a cause other than the purposeful or negligent act or omission of the Unit Owner, then an easement appurtenant, to such encroaching Unit, to the extent of such encroachment, shall exist for so long as such encroachment shall exist. If any Common Element shall encroach upon any Unit by reason of original construction or a cause other than the purposeful or negligent act or omission of the Council, then an easement appurtenant to such Common Elements, to the extent of such encroachment, shall exist for so long as such encroachment shall exist. In the event the Building is partially or totally destroyed, and then rebuilt, encroachment upon the Common Elements and/or Units, as and to the extent described above, shall be permitted, and a valid easement for said encroachments and the maintenance thereof shall exist for so long as such encroachment continues to exist.

ARTICLE XPower of Attorney

By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominiums or any Unit therein, each and every contract purchaser, Unit Owner or occupant, or holder of any mortgage or other lien, does automatically and irrevocably name, constitute and appoint and confirm (i) Declarant, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Declaration(s) and other instrument(s) as are permitted pursuant to the Unit Property Act, this Declaration, the Code of Regulations or the purchase agreement for a Unit, provided that the Declarant shall retain this power of attorney only until the last Unit Owned by Declarant is sold, and (ii) the members of the Council, provided that a majority of the members of Council then holding office join in such act, as attorney-in-fact to do the following:

(1) Acquire title to or lease any Unit or interest therein whose Owner desires to surrender, sell, lease or otherwise, on behalf of all Unit Owners and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any Units so acquired or to sublease any Units so leased by the Council.

(2) To appeal, contest or otherwise seek a reduction in the other assessments, or other charges, levied or imposed by any governmental or quasi-public authority, including public utilities, against any or all of the Units or the Common Elements and to employ such appraisers, legal counsel or other firms or personnel as the Council may deem necessary or appropriate to accomplish the foregoing.

(3) Execute easements, right-of-way of other similar agreements. The powers of attorney aforesaid are expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors, and assigns of any of the foregoing parties. Further, said powers of attorney shall not be affected by the death or disability of any principal and are intended to deliver all right, title and interest of the principal in and to said powers.



ARTICLE XI

Amendment of Declaration

While the Declarant owns ten percent (10%) of the Units, this Declaration may not be amended by vote of Unit Owners, and mortgagees, subject to the restriction of the Act. Thereafter, when Declarant owns less than 10% of the Units, this Declaration may be amended, subject to the restrictions of the Act, by the affirmative vote of 90% of the Unit Owners and Mortgagees <sup>Res.</sup> of the Common interests. No amendment shall be effective until properly recorded.

ARTICLE XII

Separate Mortgages, Taxes, Utility  
Charges

Section 1. Mortgages. Each Unit Owner shall have the right to mortgage or encumber only his own designated Unit together with only his proportionate undivided share in the Common Elements and he shall have no right, power or authority to in any way encumber or affect the title to any other part of or interest in the Property.

Section 2. Taxes. It is understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his undivided percentage of ownership in the Common Elements, as provided in the Act.

Section 3. Utilities. Each Unit Owner shall pay for his own telephone, electricity, and/or other utilities which are separately metered or billed to each user by the appropriate utility company. Utilities not separately metered or billed may be treated as part of the Common Expense or in the event the said utility services are supplied to some Units but less than all Units, then Council may reasonably prorate these charges over the Units using such services, and require each Unit Owner to pay his prorata share of such charges, which shall become a charge or lien against the Unit, enforceable under Article VII, Section 2.

The decision of the Council to prorate and its determination of prorata shares and charges shall be final and binding on all.

### ARTICLE XIII

#### Mortgages

Section 1. A Unit Owner may not voluntarily encumber or subject his Unit to any lien, other than the lien of (i) a first mortgage to a bank, trust company, bank and trust company, savings bank, savings and loan association, building and loan association, insurance company, pension fund or like institutional investor, any of which are sometimes referred to as a mortgage company, of (ii) a purchase money mortgage to the Declarant or (iii) a purchase money mortgage to the seller of a Unit (any of such mortgages being sometimes referred to herein as "Permitted Mortgagees"). In any event such mortgage and the obligation secured thereby shall provide that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, this Declaration, the Code of Regulations and the Rules and Regulations, and specifically but without limitation, that the mortgagee shall have no right (a) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, (b) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent of a distribution thereof to Unit Owners pursuant to Section 802 of the Act or of insurance proceeds being received in excess of the cost of repair or restoration or (c) to accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere on the Property other than within the affected Unit, and the obligation secured shall be prepayable, without penalty, upon the happening of any termination as aforesaid.

Section 2. No Unit Owner or prospective purchase of a Unit shall deliver any mortgage, or any obligation to be secured thereby, unless it has first notified the Council of the name and address of the proposed mortgagee. When a Permitted Mortgage is delivered to the mortgagee, the Unit Owner shall simultaneously provided executed or conformed copies to the Council. The Secretary shall maintain a register of Permitted Mortgages, showing the name and address of the mortgagee. The holders of Permitted Mortgages shall be entitled on written request to receive from Council a written statement of any delinquent assessments and of any other defaults by the Unit Owner, copies of any notices of defaults by the Unit Owner, copies of any notices of default sent to the Unit Owner and copies of budgets and financial reports sent to the Unit Owner. Permitted Mortgagees shall be permitted to examine the books of account of Council during regular business hours at Council's Office.

Section 3. For purposes of this Declaration, the Declarant shall be deemed to include, in addition to the Owner or Owners submitting the Property to the Unit Property Act, the institutional lender providing the mortgage financing for the Units, in the event such lender shall acquire title to any of the Units owned by Declarant pursuant to deed in lieu of foreclosure or any judicial sale under such mortgage or the accompanying obligation.

#### ARTICLE XIV

##### Unit Subject to Declaration, Code of Regulations, Rules and Regulations

All present and future Unit Owners, tenants, mortgagees and occupants of Units, shall be subject to and shall comply with the provisions of this Declaration, with those of the Code of Regulations and with the duly promulgated rules and regulations adopted by the Council, and with all

amendments of the same. The acceptance of a deed of conveyance or the acceptance of inheritance or the entering into a lease, or the entering into occupancy of a Unit, shall constitute agreement to be so bound and that the aforementioned instruments are accepted and ratified by each such Unit Owner, tenant, occupant, or mortgagee, and that all such provisions of the aforementioned instruments shall be deemed and taken to be covenant running with the land and shall bind every person at any time having any interest or estate in such Unit as though all such provisions were set forth in full in each and every deed, or inheritance, or lease, or any other relevant document.

#### ARTICLE XV

##### Invalidity

The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

#### ARTICLE XVI

##### Interpretation

Matters of dispute or disagreement between Unit Owners or matters which require interpretation of this Declaration or the Code of Regulations or the Rules and Regulations of the Council shall be determined by the Council, whose determination shall be final and binding, on all Unit Owners.

#### ARTICLE XVII

##### Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations of breaches which may occur.

## ARTICLE XVIII

### Gender

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural and vice versa, whenever the context so requires.

## ARTICLE XIX

### Removal

Section 1. The Property may be removed from provisions of the Unit Property Act by a revocation executed by all of the Unit Owners and by the holders of all mortgages, judgments or other liens affecting the Units, duly recorded in accordance with the provisions of the Unit Property Act, in addition to the removal provisions elsewhere herein set forth or provided by law.

Section 2. When the Property subject to the provisions of the Unit Property Act has been removed as provided in Section 1 of this Article the former Unit Owners shall, at the time that such removal becomes effective, become tenants in common of the Property. The undivided interest in the Property owned in common which shall appertain to each Unit Owner at the time of removal shall be the percentage of undivided interest previously owned by such person the Common Elements.

## ARTICLE XX

### Captions

The captions herein are inserted only as a matter of convenience and in no way define, limit or describe the scope of the Declaration nor the intention of any provision hereof.

## ARTICLE XXI

### Conflicts

This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the provisions of the Act shall control.

IN WITNESS WHEREOF, the DECLARANT has hereunto caused this Declaration to be executed at State College, Pennsylvania, this 19<sup>th</sup> day of May, 1980.

UNICO CORPORATION

BY:

Henry D. Sahakian  
PRESIDENT

ATTEST:

[Signature]  
SECRETARY

COMMONWEALTH OF PENNSYLVANIA :SS  
COUNTY OF CENTRE

On this, the 19<sup>th</sup> day of May, 1980, before me, the undersigned officer, personally appeared Henry D. Sahakian who acknowledged himself to be the President of Unico Corporation, the foregoing corporation, and that he, being authorized to do so, executed the foregoing Declaration for the purposes therein contained.

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

Myrna J. Alterio  
Notary Public

MYRNA J. ALTERIO, Notary Public  
State College, Centre Co. PA.  
My Commission Expires Mar. 25, 1982

LEGAL DESCRIPTION

DECLARATION AREA OF AMBASSADOR ASSOCIATION

BEGINNING at an iron pin located on the northwest right-of-way line of East Beaver Avenue and located for reference purposes S  $48^{\circ} 25' 56''$  W, 53.00 feet from the intersection of the southwest right-of-way line of Sowers Street and the northwest right-of-way line of East Beaver Avenue; Thence along said right-of-way line of East Beaver Avenue S  $48^{\circ} 25' 56''$  W, 159.30 feet to an iron pin at the east corner of other lands of the Grantor (Deed Book 368, page 100); Thence along said other lands of the Grantor N  $41^{\circ} 44' 05''$  W, 77.02 feet to a point on the northwest edge of a sidewalk in back of the Ambassador Building; Thence along said edge of sidewalk and the limit of declaration N  $48^{\circ} 18' 40''$  E, 159.30 feet to a point; Thence along other lands of the Grantor (Deed Book 282, page 1024) S  $41^{\circ} 44' 05''$  E, 77.35 feet to an iron pin at the place of beginning.

EXHIBIT "A"

EXHIBIT "B"AMBASSADOR ASSOCIATIONA Condominium

UNIT NUMBER	%OF OWNERSHIP IN COMMON ELEMENTS	VOTES
G-1	9.31	9.31
G-2	2.00	2.00
G-3	2.00	2.00
G-4	5.30	5.30
A-2	1.00	1.00
A-3	1.00	1.00
A-4	1.00	1.00
A-5	1.00	1.00
A-6	1.00	1.00
A-7	1.00	1.00
A-8	1.00	1.00
A-9	1.00	1.00
A-10	1.00	1.00
A-11	2.04	2.04
A-12	1.73	1.73
A-13	1.73	1.73
A-14	1.73	1.73
A-15 ✓	3.48 ✓	3.48 ✓
B-1	1.00	1.00
B-2	1.00	1.00
B-3	1.00	1.00
B-4	1.00	1.00
B-5	1.00	1.00
B-6	1.00	1.00
B-7	1.00	1.00
B-8	1.00	1.00
B-9	1.00	1.00
B-10	1.00	1.00
B-11	2.04	2.04
B-12	1.73	1.73
B-13	1.73	1.73
B-14	1.73	1.73
B-15	1.73	1.73
B-16	1.60	1.60
C-1	1.00	1.00
C-2	1.00	1.00
C-3	1.00	1.00
C-4	1.00	1.00
C-5	1.00	1.00
C-6	1.00	1.00
C-7	1.00	1.00
C-8	1.00	1.00
C-9	1.00	1.00
C-10	1.00	1.00
C-11	2.04	2.04



Exhibit "B" Continued

C-12	1.73	1.73
C-13	1.73	1.73
C-14	1.73	1.73
C-15	1.73	1.73
C-16	1.60	1.60
D-1	1.00	1.00
D-2	1.00	1.00
D-3	1.00	1.00
D-4	1.00	1.00
D-5	1.00	1.00
D-6	1.00	1.00
D-7	1.00	1.00
D-8	1.00	1.00
D-9	1.00	1.00
D-10	1.00	1.00
D-11	2.04	2.04
D-12	1.73	1.73
D-13	1.73	1.73
D-14	1.73	1.73
D-15	1.73	1.73
D-16	<u>1.60</u>	1.60

100. - 70

AMBASSADOR ASSOCIATION  
CODE OF REGULATIONS

SECTION I. APPLICABLE STATUTE

This Code of Regulations is adopted for Ambassador Condominium pursuant to the Unit Property Act of the Commonwealth of Pennsylvania (Act of July 3, 1963, P. L. 196).

SECTION II. DEFINITIONS

Unless the context hereof otherwise clearly indicates, all terms used herein shall have the same meaning as those terms defined in the Unit Property Act or in the Declaration of Condominium for Ambassador Association.

SECTION III. NAME, ADDRESS AND PLACE OF RECORDING.

1. The Condominium Property shall be known by the name of Ambassador Association.
2. The registered office of Ambassador Association shall be located at 130 Sowers Street, State College, Pennsylvania.
3. The Declaration and Declaration Plan of Ambassador Condominium are filed for record at the office of the Recorder of Deeds of Centre County, Pennsylvania.

SECTION IV. COUNCIL

1. Number and Qualifications. The affairs of Ambassador Condominium shall be governed by a Council. Until sixty-two (62) residential units have been sold by the Declarant, have been paid for and title closed and thereafter until their successors shall have been elected as provided herein, the Council shall consist of five (5) persons designated by the Declarant, none of whom need be residents of Ambassador Condominium.
2. Powers and Duties. The Council shall have the powers and duties necessary for administration of the affairs of the Condominium and may do all such acts of things except as by law, the Declaration or this Code of Regulations are required to be Performed by the Unit Owners. Such powers and duties of the Council shall include, but shall not be limited to the following:
  - (a) To provide for the acquisition, construction, management, operation, care, upkeep, maintenance, improvement, renovation and replacement of the Common Elements and Limited Common Elements, except to the extent specifically imposed upon the individual Unit Owners.

Recorded in the office for the recording  
of Deeds, etc. in and for Centre County  
in Book No. 150 at page 577  
20 day of May A.D. 19 80  
Witness my hand and seal of office

John W. Miller Recorder

RECORDED  
19 MAY 20 PM 4:19

CONTINUED

SECTION IV. COUNCIL

- (b) Determination and payment of the Common Expenses of the Condominium. The Council shall have the right to make a final determination of any claim or dispute by a Unit Owner as to whether any charge or expense applies against the Unit Owner rather than the Common Elements and such determination shall be final, conclusive and binding.
- (c) Establishment, maintenance and collection of and disbursement from Assessments and Common Charges received from the Unit Owners, including without limitation, amounts for working capital to meet operating expenses, a general operating reserve, a reserve fund for capital improvements, replacements, and such special assessments as may become necessary to make up any deficit in the Common Charges or Assessments for any prior year. Council may designate an agent for the purpose of collecting Common Charges and Assessments and for the purpose of making disbursements therefrom on behalf of the Council.
- (d) Employment and dismissal of personnel necessary for the maintenance and operation of the Common Elements and facilities.
- (e) Adoption and amendment of rules and regulations governing the operation and use of the Property, subject of the right of a majority in interest of the Unit Owners to amend, alter or repeal such rules and regulations. So long as Declarant owns any Units, rules and regulations shall also require approval of the Declarant. The Council shall further have, in addition to its other remedies, the right to levy fines for violations of these restrictions and its regulations, provided that the fine for a single violation may not, under any circumstances, exceed \$50.00. For each day a violation continues after notice, it shall be considered a separate violation. Any fine levied is to be considered as an assessment and levied against the particular Unit Owner involved. Collection may be enforced by the Council in the same manner as the council is entitled to enforce collection of Common Charges or Assessments.
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- (g) Purchasing or leasing or otherwise acquiring in the name of the Council or its designees, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Council.
- (h) Purchasing of Units at foreclosure or other judicial sales in the name of the Council or its designee, corporate or otherwise, on behalf of all Unit Owners, and accomplishing any and all actions necessary or incidental thereto.
- (i) Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with the Units acquired by, and sub-leasing Units leased by, the Council, or its designee on behalf of all Unit Owners.

(j) Making of repairs, additions and improvements to or alteration or restoration of the Condominium Property in accordance with the provisions of the Declaration and this Code of Regulations including those necessitated by damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

(k) The Council shall have the power to enforce obligations of the Unit Owners, to allocate profits and expenses, and to do anything and everything else necessary and proper for the sound management of the Condominium, including the right to bring law suits to enforce the rules and regulations promulgated by the Council.

(l) The Council may employ a managing agent and/or manager for the Condominiums at a compensation to be established by the Council, to perform such duties and services as the Council shall authorize including but not limited to the duties granted to the Council as set forth above. The Council may also employ any other employees or independent contractors to perform duties and services necessary to the operation and maintenance of the Condominiums and common area. The Council may also share management, common expenses, facilities and equipment personnel, and any other services with other condominiums.

(m) The Council shall have the power to obtain and maintain insurance relating to the Condominium Property.

(n) The Council shall have the power and authority to take any and all acts and to do any and all things as are necessary or incidental to the implementation, enforcement or furtherance of the terms and provisions of the Unit Property Act, the Declaration and this Code of Regulations, or as may otherwise be granted to and accepted by the Council from one or more Unit Owners.

3. Election and Term of Office. The first meeting of the Unit Owners shall be held on call by the Council not more than (a) 60 days after the ~~54~~ residential units have been sold, paid for and title closed. Five members of the Council shall be elected by the Unit Owners for a one year term. Thereafter, at subsequent annual meetings of the Unit Owners five members shall be elected for a two year term. The elected members of the Council shall hold office until their respective successors have been elected by the Unit Owners as provided herein. The Council appointed by the Declarant shall act alone until the election has been completed at said first meeting. At any election of the Council, each Unit Owner, including the Declarant to the extent that the Declarant is still a Unit Owner, shall have the right to vote in accordance with the provisions of Section V (9) of this Code of Regulations for each position to be filled. Those receiving the highest number of votes shall be elected to membership on the Council. After the first annual meeting of the Unit Owners, succeeding annual meetings shall be held during the same month of each succeeding year.

4. Removal of Members of the Council. At any duly held regular or special meeting of the Unit Owners, any one or more members of the Council may be removed, with or without cause, by a majority of the Unit Owners present and voting and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Council whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. This provision shall not apply to Council members appointed by the Declarant under Section IV, Paragraph 3, nor to any of the five original Council members appointed by the Declarant.
5. Vacancies. Vacancies in the Council caused by any reason shall be filled by a vote of a majority of the remaining members of the Council at a special meeting of the Council held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Council for the remainder of the term of the member whose term he is filling and until his successor is elected. Vacancies must be filled within thirty (30) days. In the event of a deadlock by the Council in filling any such vacancy, Council may call a special meeting of the Unit owners upon at least seven (7) days written notice at which, regardless of whether a quorum is present, such vacancy shall be filled.
6. Compensation. No member of the Council shall receive any compensation for acting as a Council member. However, Council members shall be reimbursed for out-of-pocket expenses and may be compensated for services rendered to or for the Condominium in any other capacity, and shall be indemnified as provided in the Declaration and the Code of Rules and Regulations.
7. Meeting of the Council. The first meeting of the Council following the first annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Council immediately following such annual meeting and no notice shall be necessary. Regular meetings of the Council, before or after the first annual meeting of the Unit Owners, may be held at such time and place as shall be determined from time to time by a majority of the members of the Council, but at least two meetings shall be held each year. Notice of regular meetings of the Council shall be given to each Council member by mail or telegram at least five days prior to the date of the meeting. Special meetings of the Council shall be called by the President or the Secretary in like manner and on like notice promptly following the written request of at least three members of the Council. Any member of the Council may, at any time, waive notice of any meeting of the Council in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by members of the Council at any meeting of the Council shall constitute his waiver of notice of the meeting. All meetings of the Council shall be open to the attendance by the Unit Owners.

8. Quorum of the Council. At all meetings of the Council, a majority of the members thereof shall constitute a quorum for the transaction of business and the vote of a majority of the members of the Council present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Council there shall be less than a quorum present, the majority of those present may adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice.
9. Action by Council Without a Meeting. Any action which may be authorized or taken at a meeting of the Council, may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all the Council members, which writing or writings shall be filed with or entered upon the records of the Council.
10. Election of Officers. At each annual organization meeting of the Council following its election, the Council shall elect a President, one or more Vice Presidents, a Secretary and a Treasurer of the Condominium, the President, who shall be elected from the Council members, shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and the Council, and shall have general powers and duties which are incident to the office of a president of a non-profit corporation, including, but not limited to the power to appoint such committees from among the Unit Owners from time to time as he may in his discretion decide are appropriate to assist in the management of the affairs of the Condominium. All other officers need not be members of the Council nor need they be Unit Owners. The Vice President shall take the place of the president or perform his duties whenever the President shall be absent or unable to act. The Secretary shall keep the minutes of all meetings of the Unit Owners and the Council, and shall have charge of the books and records of the Condominium and the Council. He shall, in general, perform all of the duties incident to the office of a secretary of a non-profit corporation. The Treasurer shall have a responsibility for the Condominium funds and securities and shall be responsible for the keeping of full and accurate records and books of account. All agreements, contracts, leases, deeds, checks and other instruments of the Condominium shall be executed by the President or the Vice President and the Secretary or the Treasurer or by such other person or persons as may be designated by the Council. Upon the affirmative vote of a majority of the members of the Council, any officer may be removed either with or without cause and his successor may be elected and vacancies in any office may be filled at any regular meeting of the Council called for such purpose. Nothing herein contained shall prohibit a Council member from becoming an officer.

11. Compensation of Officers. The President and Vice President shall not receive any compensation for their services, except reimbursement of out-of-pocket expenses but may be compensated for services rendered in any other capacity. The Secretary and Treasurer may be compensated for their services if the Council determines that such compensation is appropriate.

SECTION V. MEETING OF THE UNIT OWNERS

1. Annual Meeting. Annual meetings of the Unit Owners shall be held as provided in Section IV, Paragraph 3 above.
2. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners, if so directed by a resolution of the Council or upon petition signed and presented to the Secretary of not less than 33 1/3% in the aggregate of all Unit Owners, or as provided in Section IV (3). The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.
3. Place of Meeting. The meeting of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Council.
4. Notice of Meetings. The Secretary shall mail a notice for each annual or special meeting of the Unit Owners at least ten (10), but not more than thirty (30) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held. Said notice shall be mailed to each Unit Owner of record by regular mail, postage pre-paid, at the unit address or at such other address as such Unit Owners shall have designated by notice in writing to the Secretary. The mailing of notice of meeting in the manner herein provided shall be considered service of notice.
5. Voting Lists. A complete register of the Unit Owners, the proportionate interest of each Unit Owner and the last known address of each Unit Owner shall be available for inspection by any Unit Owner at the Office of the Manager, or in default of such an office, at an office or unit convenient to the Unit Owners, for a period of two (2) days prior to any meeting.
6. Proxies. Every Unit Owner entitled to vote at a meeting of Unit Owners may authorize another person or persons to act for him by proxy. Every proxy shall be executed in writing by the Unit Owner, or by his duly authorized attorney in fact, and filed with the Secretary of the Condominium. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the Secretary of the Condominium. No unrevoked proxy shall be valid after eleven (11) months from the date of its execution, unless a longer time is expressly provided therein, but

in no event shall a proxy, unless coupled with an interest, be voted on after three (3) years from the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary of the Condominium. A Unit Owner shall not sell his vote or execute a proxy to any person for any sum of money or anything of value. A proxy in favor of a creditor of a Unit Owner and such a proxy shall be valid so long as the debt owed by him to the creditor remains unpaid.

7. Quorum. Except as otherwise provided herein, the presence in person or by proxy of Unit Owners having ~~one-third~~ <sup>2/3</sup> of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If at any meeting of the Unit Owners there is not a quorum present, a majority interest of the Unit Owners who are present at such a meeting, or the Declarant either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the date the original meeting was called. At such adjourned meeting a quorum as defined herein shall not be required to conduct the business of the Unit Owners. Should no Unit Owner be present at such adjourned meeting, the Declarant shall have the power to conduct business with the full force and effect of business conducted at a regular meeting and decisions made by the Declarant at such meeting shall be binding upon all Unit Owners for all purposes. A vote of the majority of Unit Owners present at such adjourned meeting shall be binding upon all Unit Owners for all purposes.

8. Conduct of the Meetings. The order of business at the annual meeting of the Unit Owners or at any special meeting shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and approval of any unapproved minutes.
- (d) Receiving reports of officers.
- (e) Receiving reports of committee, if any.
- (f) Election of inspector of election, if necessary.
- (g) Election of Council members, if necessary.
- (h) Old Business
- (i) New Business
- (j) Adjournment

At all meetings of the Unit Owners or of the Council, Robert's Rules of Order (revised) shall be followed.

9. Voting. With respect to the affairs of the Condominiums including the election of the Council members, the Owner(s) (collectively) of each unit shall have the number of votes equal to such Owners' percentage of ownership of the Common Elements as set forth in the Declaration, Schedule "B". However, the Owner(s) of any unit may not split the votes allocated to each unit but must cast them as one block on any particular vote and only one Owner of any unit may cast the votes appurtenant thereto on any question. If a unit is held



by a corporation, a duly authorized officer of such corporation shall be entitled to exercise the appurtenant voting rights. If a unit is held in a fiduciary capacity, the fiduciary and not the beneficiary shall be entitled to exercise the appurtenant voting rights.

10. Ballots and Proxies. The ballot box shall not be opened nor any ballots tallied until all voting is complete. Ballots and proxies shall be retained for a period of thirty (30) days following each vote, and shall be available for inspection by each Unit Owner or his duly authorized attorney.
11. Majority of Votes. The affirmative vote of the owners of a majority in interest of the votes represented at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except if, in the Declaration, these Regulations, or by law, a higher percentage is required.

#### SECTION VI. MAINTENANCE, REPAIR & ALTERATIONS OF PROPERTY

1. Damage to Other Units/Common Elements. All maintenance of and repair to any units, structural or non-structural ordinary or extraordinary (other than maintenance of and repair to any Common Elements contained therein and not necessitated by the negligence, misuse or neglect of the Owner of such unit) shall be made by the Owner of such unit. Each Unit Owner shall be responsible for all damages to other units and/or to the Common Elements and Facilities resulting from or aggravated by his failure to repair.
2. Repair of Common Elements. All maintenance, repairs and replacements to the Common Elements and Limited Common Elements (except where such duty is specifically imposed upon a Unit Owner), whether located inside or outside of the units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner) shall be made by the Council and be charged to all Unit Owners as a Common Expense. The payment of all vouchers ~~is to be approved~~ by either the President or Treasurer.
3. Maintenance by Unit Owners.
  - (a) Except for the maintenance requirements herein imposed upon the Council, the Owner of each Condominium unit shall, at the Owner's expense, maintain the interior of this Condominium unit and any and all equipment, appliances or features therein situated, and its appurtenances (including, without limitation, any air conditioning units appurtenant to such unit), in good order and condition. The Owner of any Condominium unit shall, at his own expense, maintain, repair or replace any plumbing fixtures, refrigerators, freezers, heating and air conditioning equipment, lighting fixtures, electrical outlets and fixtures, dishwashers, clothes washers, clothes washers, clothes dryers, disposals, ranges and/or other equipment, in connection with the individual unit.

(b) Each Unit Owner shall promptly furnish, perform and be responsible for, at his own expense, all of the maintenance repairs and replacements within his own unit which, if omitted, would adversely affect the safety of the Condominium, provided however, such maintenance, repairs and replacements as may be required to bring water, electricity, heating oil and gas to such unit shall be furnished by the Council as part of the Common Expense.

(c) If, due to the negligent act or omission of or misuse by a Unit Owner, a member of his family, household, pet or of a guest, other occupant or visitor (whether authorized or unauthorized) of such Unit Owner, damage shall be caused to the General or Limited Common Elements or to a Unit or appurtenance owned by another, or if resulting therefrom, maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and be liable for any damages, liability, costs, or expenses, including attorney's fees, caused by or arising from such circumstances, and such maintenance, repairs and replacements to the Common Elements or the units shall be subject to this Code of Regulations and the rules and regulations adopted by the Council.

(d) To the extent that equipment, facilities and fixtures within any unit(s) shall be connected to similar equipment, facilities or fixtures affecting or serving other unit(s) or the Common Elements then the use thereof by the individual Unit Owners shall be subject to this Code of Regulations and the rules and regulations adopted by the Council. The authorized representatives of the Council, or the manager or managing agent for the Council, shall be entitled reasonable access to the individual unit(s) as may be required in connection with maintenance, repair or replacement of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other unit(s) or such Common Elements.

4. Exterior Changes. Unit Owners shall not have the right to locate signs upon, paint or otherwise decorate or change the appearance of any portion of the exterior of the Building in which the units are located. The Unit Owner is responsible to promptly report to the Council any defect or need for repairs, the responsibility for which is that of the Council.

## SECTION VII.

### COMMON CHARGES, SPECIAL ASSESSMENTS AND RESERVES

#### 1. Common Charges.

(a) Each Unit Owner shall pay to the Council a monthly sum (here and elsewhere sometimes referred to as "Common Charges") equal to one-twelfth of the Unit Owner's proportionate share of the sum required or established by the Council to meet the annual Common Expenses and, if imposed by the Council, to establish the operating and/or capital improvement or replacement, reserves,

(b) The Council shall determine the amount of the Common Charges annually, but may do so at more frequent intervals should circumstances so require.

(c) The Council shall make reasonable efforts to fix the amount of the Common Charges payable by each unit owner for each assessment period at least thirty (30) days in advance of such date

or period and shall, at that time, prepare a list of the Unit Owners and Common Charges applicable to the units which shall be kept in the office of the Council and shall be open to inspection by any Unit Owner upon reasonable notice to the council. Written notice of the Common Charges shall be sent to each Unit Owner. The omission of the Council before the expiration of any assessment period shall not be deemed a waiver or modification of the provisions of this Section, or a release of any Unit Owner from the obligation to pay the Common Charges or any installment thereof for that or any subsequent assessment period. The Common Charges fixed for the preceding period shall continue in full force and effect until the new Common Charges are established. No Unit Owner may gain exemption from liability for the Common Charges or any Special Assessments by a waiver of the use or enjoyment of any of the Common Elements or by abandonment of any Condominium unit.

2. Special Assessments. In addition to the Common Charges authorized above, the Council may levy in any year a Special Assessment or Assessment, applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, improvement, unexpected repair or replacement of any capital improvement, located on or in the Condominium property including the necessary fixtures and personal property related thereto or for such other purposes as the Council may consider necessary or appropriate.
3. Reserve for Replacements. The Council may establish and maintain a reserve fund for the repair, restoration, or replacement of capital improvements by the allocation of payment monthly to such reserve fund of any portion of the Common Charges or Special Assessments designated from time to time by the Council, which shall not exceed ten percent (10%) of the aggregate Common Charges or Special Assessments in any year. Such reserve funds shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Council be invested in obligations of, or obligations fully guaranteed as to principal by, the United States of America. The reserve for replacement may be expended only for the purpose of effecting the repair, restoration or replacement of the Common Elements and Facilities together with fixtures or equipment associated therewith or for the contingencies of a non-recurring nature. The amounts allocated to the replacements reserve may be reduced, by appropriate resolutions of the Council, upon the accumulation in such replacement reserve of a sum equal to twenty percent (20%) of the full replacement value of the Condominium Common Areas as such full replacement value is annually determined by the Council for casualty insurance purposes. The proportionate interest of any Unit Owner in any replacement reserve shall be considered an appurtenance of his Condominium unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium unit to which it appertains and shall be deemed to be transferred with such Condominium unit.

4. Non-payment of Common Charges or Assessments.

(a) Any Common Charges or Assessment levied pursuant to the Declaration or this Code of Regulations, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a lien upon the Condominium unit belonging to the Owner against whom such assessment is levied and shall bind such Condominium unit in the hands of the Owner, his heirs, devisees, personal representatives, successors and assigns. The lien may be perfected as provided by law. The personal liability and responsibility of the Unit Owner to pay such Common Charge or Assessment shall, however, remain his personal legal obligation, and the Council may maintain actions at law to recover sums due, or for damages associated therewith, or in equity for injunctive or such other relief as is available.

(b) Any Common Charges or Assessments levied pursuant to the Declaration or this Code of Regulations, or any installment thereof, which is not paid within ten (10) days after it is due shall bear interest from the date due at a rate fixed by the Council not to exceed ten percent (10%) <sup>per</sup> annum but in no event more than the maximum permitted legal rate, and the Council may bring an action at law against the Unit Owner personally obligated to pay the same, and/or foreclose the lien against the Condominium unit then belonging to said Unit Owner, in either of which events interest, costs and reasonable attorney's fees of not less than twenty-five percent (25%) of the sum claimed shall be added to the amount of each Common Charge or Assessment. The Council shall notify the holder or any mortgage on any Condominium unit for which any Assessment levied pursuant to this Code of Regulations becomes delinquent for a period in excess of thirty (30) days and in any other case where the Owner of such Condominium unit is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

(c) If any Owner shall be default in the payment of an installment of the Common Charges or Assessments, the Council may accelerate the remaining installments upon written notice to the Owner, and the then unpaid balance of the Common Charges or Assessments for the current year shall come due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Owner, or ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

5. Excess of Common Charges or Assessments. In any year in which there is an excess of Assessments or Common Charges received over amounts actually used for the purposes described in this Code of Regulations and in the Declaration, such excess shall, as directed by the Council, either (a) be applied against and reduce the subsequent year's Assessment or Common Charges; (b) be placed in a specifically allocated reserve for replacement of capital assets; or (c) be refunded to the Unit Owners. If election is made to refund excess Assessments or Common Charges, such

refund shall be divided among all the Unit Owners in proportion to their respective undivided interest in the Common Elements.

6. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, not from the lien of any such subsequent assessment.

SECTION VIII. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE COUNCIL

Whenever, in the judgment of the Council, Common Areas shall require additions, alterations or improvements costing in excess of \$5,000.00 said alterations or improvements shall not be made unless they have been approved by the Owners at a meeting at which a quorum is present. When said approval has been obtained, all Unit Owners shall be assessed for the cost thereof as a Special Assessment. In the event any emergency which could cause damage to the building or part(s) thereof, the Council may expend sums in excess of \$5,000 to protect said building or parts and the judgment of the Council shall be final.

SECTION IX. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE UNIT OWNER

No residential Unit Owner shall make any structural addition, structural partition or wall change or structural alteration or improvement in or to his unit without prior written consent of the Council and, if required in the mortgage documents, the mortgagee of said unit. The Council shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's unit within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Council to the proposed structural addition, alteration or improvement.

SECTION X. ELECTRICITY, GAS, WATER AND HEATING.

Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter for each unit, and each Unit Owner shall be required to pay the bills for electricity consumed or used by his unit and in the Limited Common Elements serving his unit. Each Unit Owner shall be required to pay the bills for his unit. All utilities serving the general Common Elements and Facilities shall be metered and the Council shall pay all utility bills for electricity consumed

therein or sewer service thereto as a Common Expense.

SECTION XI. COMMON CHARGES PAYABLE BY THE SPONSOR

Until the sale of the first unit in the Condominium, the Declarant shall be solely responsible for all Common Charges. Following the first closing, each Unit Owner to whom title shall have been vested shall be responsible for his proportionate share of Common Charges and Assessments based on his percentage interest in the Condominium Common Elements, and the Declarant shall pay Common Charges and Assessments for unsold units. Proration of the Common Charges shall be permitted if the parties to any agreement for the purchase and sale of a unit so agree. Until 37 units have been conveyed, all Common Charges will be paid to the Declarant who will be responsible for payment of all common costs; thereafter, all payments of Common Charges shall be made to the Condominium Association which will be responsible for payment of same. 22 70%

SECTION XII. LIABILITY OF MEMBERS OF THE COUNCIL AND OFFICERS.

The members of the Council and the officers and any assistant officers (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct or gross negligence; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument, or transaction entered into by them on behalf of the Council, or Unit Owners in their capacity as such; (iii) shall have no personal liability in tort to a Unit Owner or any other person or entity direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or gross negligence, or acts performed for them, in their capacity as such, and (iv) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such.

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

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

(3) Language Concerning Liability in Agreements.

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

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

(5) Notice of Suit and Opportunity to Defend.

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

### SECTION XIII. INSURANCE

1. Coverage. The Council shall obtain and maintain, on behalf of and for the benefit of the Unit Owners, insurance coverage as set forth in paragraphs 2 through 6 hereof. All insurance affecting the property shall be governed by the provisions of this Section.

2. Physical Damage. All buildings and improvements (as defined in paragraph 3 hereof), and all of the personal property owned in common shall be insured for the benefit of the Council, the Unit Owners and mortgagees of units, against risks of physical damage as follows:

(a) Amounts. As to real property, for an amount not less than its actual cash value as to personal property, for an amount equal to its actual cash value. Prior to obtaining any insurance on real property under this section, and at least annually thereafter, the Council shall obtain an appraisal from a qualified appraiser, primarily engaged in preparing estimates of insurable value, acceptable to the insurance carrier or carriers, writing the Council's policies for the purpose of determining the actual cash value of personal property and real property.

(b) Risks Insured Against. The insurance shall afford protection against loss or damage by reason of:

- (i) Fire and other hazards covered by broad form for extended coverage;
- (ii) Vandalism and malicious mischief;
- (iii) Such other risks of physical damage as from time to time may be customarily covered with respect to buildings and improvements similar in construction, location, and use as those on the Property and;
- (iv) Such other risks of physical damage as the Council may from time to time deem appropriate.

(c) Other Provisions. The insurance shall contain the following provisions;

- (i) Waivers by the insurer of rights of subrogation against the Council and the Unit Owners;
- (ii) That the insurance shall not be affected or diminished by reason of any other insurance carried by any Unit Owner or mortgagee of a unit;
- (iii) That the insured shall not be affected or diminished by any act or neglect of any Unit Owner or any occupants or owners of any improvements when such act or neglect is not within the control of the Council;
- (iv) That the insurance shall not be affected or diminished by failure of any Unit Owner or any occupants or owners of any improvements to comply with any warranty or condition when such failure to comply is not within the control of the Council;
- (v) That the insurance may not be cancelled or substantially modified (except for the addition of property or increases in amount of coverage) without at least thirty (30) days prior written notice to the named insured, and to all mortgagees of Units;
- (vi) Provisions for indemnification of mortgagees of units and for the allocation of their several interests to specific units;



(vii) The standard mortgagee clause, except that any loss otherwise payable to named mortgagees shall be payable in the manner set forth in Subsection (c) or paragraph 11, hereof;

(viii) Adjustment of loss shall be made with the Council as the exclusive authority for the insured;

(ix) Proceeds for losses under \$10,000 shall be paid to the Council and proceeds for losses over \$10,000 shall be payable to the Trustee (see paragraph 11, below);

(x) The names insured shall be the Council;

(xi) All policies shall be written with a company licensed to do business in the Commonwealth of Pennsylvania and holding a rate of "AAA" or better by Best's Insurance Reports, or by an equivalent rating bureau should Best's Insurance Reports cease to be issued;

(xii) The insurance policies to the Council on behalf of the Unit Owners and covering the Condominium Property cannot be cancelled, invalidated or suspended on account of the conduct of any one or more Unit Owners and in no event can cancellation, invalidation, or suspension for any reason be effected without at least ten (10) days prior written notice to each Unit Owner and all holders of any mortgages permitted hereunder; and

(xiii) That all policies covering the Condominium Property cannot be cancelled, invalidated, or suspended on account of the conduct of any officer or employee of the Council or any Owner without prior demand in writing that the Council or such Owner cure the defect and without providing a reasonable period of time thereafter in which to cure same.

3. Definition. When the insurance under paragraph 2 hereof is to cover "Buildings and Improvements", such insurance shall also cover:

(a) All additions and extensions attached thereto;

(b) All fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of the Building;

(c) Material and supplies intended for use in construction, alteration or repair of the Buildings;

(d) Personal property of the insured as owned in common by Unit Owners and used for the maintenance or service of the described buildings, including fire extinguishing apparatus, floor coverings, refrigerating, ventilating, cooking, dishwashing and laundering equipment and shades (but not including other personal property in the units furnished by the Unit Owners).

4. Casualty and Liability Insurance. To the extent available, the Council shall obtain and maintain comprehensive general liability insurance in such limits as the Council may from time to time determine insuring the Council, the Officers, the Manager (at the discretion of the Council), and each Unit Owner for claims arising out of or in connection with the ownership, operation, or maintenance of any of the Property, excluding however, Unit Owner liability coverage for claims arising in connection with that portion of the Property used and occupied exclusively by a particular Unit Owner. Such comprehensive general liability insurance shall also cover to the extent such insurance is available, cross liability claims of one insured against the other. The Council shall review such limits once a year.
5. Directors and Officers Liability Insurance. To the extent available, the Council shall obtain and maintain a comprehensive general liability insurance policy in such limits as the Council may from time to time determine or in such limits as may be available, insuring the Council members, the Officers, the Manager (at the discretion of the Council), for claims arising out of or in connection with the management, operation or maintenance of any of the Property. Such policy shall insure the Council members and Officers against any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith.
6. Workmen's Compensation Insurance. The Council shall obtain and maintain Workmen's Compensation Insurance, if necessary, to meet the requirements of the laws of the Commonwealth of Pennsylvania.
7. Other Insurance. The Council is authorized to obtain and maintain such other insurance or bonds as it shall determine from time to time to be desirable.
8. Insurance by Unit Owners. Unit Owners shall not be prohibited from carrying insurance for their own benefit provided that all such policies shall contain waivers of subrogation against all other parties insured by the comprehensive general liability insurance of Paragraph #4, and further provided that the liability of the carriers issuing, the insurance obtained by the Council shall not be affected or diminished by reason of any such additional insurance coverage by any Unit Owner. In no event, however, shall the insurance coverage obtained and maintained by the Council hereunder be brought into contribution with insurance purchased by individual Unit Owners or their mortgagees.
9. Filing of Individual Policies. Each Unit Owner shall file any individual policies of insurance (excluding policies restricted to personal property) with the Council within thirty (30) days after purchase thereof. The Council shall maintain the file thereof.
10. Premiums. Premiums upon insurance policies purchased by the Council shall be paid as a Common Expense.
11. Trustee. All insurance policies purchased by the Council shall be for the benefit of the Council, the Unit Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds

covering property losses under \$10,000 shall be payable to the Council and all proceeds covering losses in excess of that amount shall be paid to a bank with trust powers, insured by an agency of the United States, or to such other person or entity as is acceptable to the Council, and the insurance carrier, which trustee is herein referred to as the "Trustee". The Trustee shall not be liable for payment of premiums, nor for the renewal or the sufficiency of the policies, nor for the failure to collect any insurance proceeds. The duty of the Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Council, the Unit Owners and their mortgagees in the following shares:

(a) Common Elements. Proceeds on account of damage to Common Elements an undivided share for each Unit Owner, such share being the same as the percentage of undivided interest of such Unit Owner as set forth in the Declaration.

(b) Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(i) When a building is to be restored -- for the Owners of damaged units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Council. (Damage suffered by a Unit Owner shall not be deemed to include damage to any items specifically excluded from insurance coverage, pursuant to the provisions of paragraph 2 hereof).

(ii) When a building is not to be restored -- an individual share for each Unit Owner, such share being the same proportion as the Unit's percentage of ownership of undivided interests as set forth in the Declaration bears to the total percentage of ownership of the units not to be restored.

(c) Mortgagees. In the event a mortgagee endorsement has been issued with respect to a particular unit, the share of the Unit owners shall be held in trust for the mortgagee and the Unit Owner as their interest may appear; provided, however, that no mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

12. Distribution of Insurance Proceeds by Trustee. Proceeds of insurance policies received by the Trustee shall be distributed to or for the benefit of beneficial owners in the following manner:

(a) Expense of the Trust. All expenses of the Trustee shall be first paid or provision made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof in accordance with the provisions of Section XIV below. Any

proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittance to Unit Owners and their mortgagees being payable jointly to them. This provision shall be deemed a covenant for the benefit of any mortgagee or a unit and may be enforced by such mortgagee.

(c) Failure to Reconstruct or Repair. If it is determined in the manner provided in Section XIV that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them. This provision shall also be deemed a covenant for the benefit of any mortgagee of a unit and may be enforced by such a mortgagee.

(d) Certificate. In making distribution to a Unit Owner and their mortgagees, the Trustees may rely upon a certificate issued by the Council as to the names of the Unit Owners and their respective shares of the distribution, and with respect to the names of mortgagees, may rely upon a certificate from any attorney-at-law who has examined the title records and/or documents, as to the names of the holders of mortgages of record.

13. Council as Owner's Agent. The Council is hereby irrevocably appointed agent for each owner of a mortgage or other lien upon a unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Council, and to execute and deliver releases upon the payment of claims.

#### SECTION XIV. REPAIR OF RECONSTRUCTION

##### 1. Damage or Destruction.

(a) Repair. Except as otherwise provided by law or herein, damage to or destruction of any of the buildings comprising the Property shall be promptly repaired and restored by the Council using, to the extent available the proceeds of insurance held by the Council or the Trustee for that purpose; and to the extent of the availability of the proceeds of any insurance carried by the Unit Owners shall be liable for assessment for any deficiency in such proceeds in proportion to their respective undivided interests in the Common Elements. The Council shall be responsible for accomplishing the full repair or reconstruction which shall be paid from the insurance proceeds from their individual insurance policies if any to the share of such assessments. The Council shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage and each Unit Owner shall personally assume the additional expense of any improvements to his unit which he desires to restore beyond such condition. If any changes are made in the basic construction of any restored unit or the Common Areas, or both, the Council shall record an amended Declaration Plan encompassing such changes pursuant to its power of attorney contained in Article XIV of the Declaration.

(b) Termination. Notwithstanding anything contained in this Section XIV to the contrary, if

(i) There is substantially total destruction of the building comprising the Condominium property, the existence of which condition shall be conclusively determined by unanimous vote of the Council members rendered within thirty (30) days after the damage, and by the concurrence of the insurers thereof; or

(ii) Unit Owners directly affected by damage to or destruction of one or more of such buildings and entitled to cast seventy-five percent (75%) of the votes of all said Unit Owners directly affected thereby duly resolves within sixty (60) days after final receipt of at least three (3) contractor's bids and the final insurance adjustment, not to proceed with repair and restoration then, and in those events only, the destroyed portions of the Condominium Property shall be removed from the provisions of the Declaration and Act and the Condominium form of ownership of such portion of the Condominium Property shall be terminated upon the proper recording of a statement of termination not less than thirty (30) days after the determination to terminate the Condominium form of ownership of such property. Upon the termination of the Condominium form of ownership, the salvage value of the Property shall be subject to partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies held by the Council or the Trustees, shall be considered as one fund and shall be divided among all Unit Owners in proportion to their respective undivided ownership of the Common Areas, after discharging, out of the respective shares of Unit Owners, to the extent sufficient for the purpose, all mortgages and other liens against the units of such Unit Owners.

2. Right of First Refusal. Notwithstanding anything contained in Section XIV to the contrary, the Condominium form of ownership of destroyed Condominium Property will not be terminated, in spite of a decision by the Unit Owners directly affected by such damage or destruction to terminate the Condominium form of ownership pursuant to Section XIV (1) (b) hereof, if the remaining Unit Owners, of the building comprising part of the Condominium Property entitled to cast in excess of fifty percent (50%) of the votes of all such remaining Unit Owners, with the consent of all the holders of mortgages permitted hereunder on their units, within thirty (30) days after the determination is made to terminate the Condominium form of ownership pursuant to Section XIV (1) above (i) authorize and direct the Council, on behalf of the Unit Owners to purchase all, but not less than all, of the units in the damaged building and (ii) also offer in writing, through the Council, to purchase the units of all remaining dissenting Unit Owners who voted against purchasing such damaged units for a purchase price equal to the then current value of the damaged units and units of the dissenting Unit Owners, with the value of each such unit being conclusively deemed to be the amount of money equal to the sum of the most recent appraised value of the Condominium Property made pursuant to Section XIII hereof and the value of any improvements to the Property which were not reflected in

such most recent appraised value multiplied by such unit's percentage interest in the Common Elements. If the Council does offer in writing to purchase the damaged units and the units of the dissenting Unit Owners pursuant hereto, the Unit Owners of the damaged units and the dissenting Unit Owners shall be obligated to accept such offer and to cooperate in the consummation of the sale of their units as hereinafter provided. The persons who are the remaining Unit Owners acting as a group shall have the right, at the group's option, (to be exercised in the offer to purchase the damaged units and the units of dissenting Unit Owners), of either, (i) requiring any or all of the Owners of damaged units and any or all of the dissenting Unit Owners to convey title to each unit purchased pursuant to this Section XIV (2) which is good and marketable and free of all liens and encumbrances except for such liens or encumbrances as may be in existence at the time of the grant of the original deed to such unit from the Declarant to the first purchaser of such unit or (ii) if a unit is subject to liens and encumbrances at the time of the closing, for the purchase made pursuant to this Section XIV (2) taking title to any such unit under and subject to such liens or encumbrances and deducting from the purchase price the sum necessary to discharge all such liens or encumbrances. If the remaining Unit Owners elect to have the Council purchase the damaged units, the Council shall be entitled to receive all net insurance proceeds of the Council's insurance policies attributable to the damaged units, which proceeds shall be applied to pay the purchase price of the damaged units and the destroyed unit, and shall be deducted from the purchase price payable by the Council. If the net insurance proceeds are insufficient to pay the aggregate purchase prices of all damaged units, such deficiency shall be assessed against the remaining Unit Owners as a Common Expense. The expense of purchasing the units of dissenting Unit Owners shall be assessed against the remaining Unit Owners as a Common Expense. The Council may borrow all or part of the funds necessary to effect any such purchase and may create a mortgage against the unit(s) to secure such indebtedness. All closings pursuant to this Section XIV shall be held not later than the later of (i) sixty (60) days following the Council's receipt of all insurance proceeds, or (ii) sixty (60) days after the remaining Unit Owners shall have voted not to terminate the Condominium form of ownership.

3. Unit Owners Directly Affected Thereby. For purposes of this Section XIV only, the term "Unit Owner directly affected thereby" shall mean all Unit Owners in the damaged building comprising part of the Property.
4. Eminent Domain. A taking of, injury to, or destruction of part or all other Property by the power, or a power in the nature of eminent domain or by the action or deed in lieu of condemnation shall be considered to be included in the term "damage or destruction" for purposes of this Section XIV, and the proceeds of the eminent domain taking shall be treated in the same manner as insurance proceeds. Whenever all or

part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damage shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein.

#### SECTION XV. MISCELLANEOUS

1. Examination of Books. Each Unit Owner, together with his attorney and accountant if he so elects, shall, upon five (5) days prior written notice to the Council, be permitted to examine the books of account of the Council at a reasonable time on business days.
2. Financing Purchase of Units by Council. Acquisition of units by the council on behalf of all Unit Owners may be made from the working capital in the hands of the Council, or if such funds are insufficient, the Council may levy an assessment against each unit in proportion to the appurtenant ownership in the common areas, which assessment shall be enforceable in the same manner as Common Charges, or the Council may in its discretion, borrow money to finance the acquisition of such Unit(s) provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit itself together with the appurtenant interests thereto. Notwithstanding any rights of the Council under this paragraph or under any other provision of these Regulations, the Council and/or the Condominium cannot at any time hold title to more than ten percent (10%) of the total number of units in the Condominium.
3. Annual Audit. The Council shall submit the books, records and memorandum to an annual audit by a disinterested certified public accountant who shall audit the same and render a report thereon in writing to the Council and in summary form to the members and such other persons, firms or corporations as may be entitled to same. An interim special audit of the books and records shall be prepared, at the Condominium's expense at the time the Declarant turns control of the Council over to the Unit Owners.
4. Notices. All notices hereunder to the Condominium shall be sent by registered or certified mail to the Council in care of the President of the Condominium with a copy to the managing agent if there be a managing agent. All notices to any Unit Owner shall be sent by first class mail, postage pre-paid, to the unit address, or to such other address as may have been designated by the Owner from time to time in writing to the Council. All notices shall be deemed to have been given when mailed except notices of change of address which shall be deemed to have been given when received.

5. Invalidity. The invalidity of any part of the Code of Regulations shall not impair or affect in any manner the enforceability or effect of the balance of the Code of Regulations.
6. Waiver. No restriction, condition, obligation or covenant contained in these Regulations shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.
7. Documents. Council shall, upon request of any Unit Owners, and upon payment by such Unit Owner of the reasonable charges therefor, provide to the Unit Owner for delivery to prospective purchasers copies of the audited financial statements of the Condominium for the preceding two (2) years; copies of the Declaration, Declaration Plan and Code of Regulations, including any amendments thereto; and copies of any engineering or architectural studies or examinations performed within two (2) years preceding the request concerning the building, Common Elements or any components thereof.
8. Leases. Notwithstanding any provision hereof to the contrary, a Unit Owner may not lease less than his entire unit, and may not lease his unit for a period of less than thirty (30) days, without the prior written approval of Council, which approval may be withheld by Council in its sole discretion.

SECTION XVII      AMENDMENTS

This Code of Regulations may be amended or modified at any time, or from time to time, by the action or approval of the Unit Owners owning a majority of the Common interests; except that regulations affecting the rights or interests of the Declarant shall not be amended or modified without the written consent of the Declarant.

IN WITNESS WHEREOF, we, being first members of the Council  
of AMBASSADOR ASSOCIATION, a Condominium, have hereunto  
set our hands this 14<sup>th</sup> day of May, 1980.

AMBASSADOR ASSOCIATION

BY:

Henry D. Hall  
PRESIDENT

ATTEST:

Thomas L. Daley  
Secretary



COMMONWEALTH OF PENNSYLVANIA

:SS

COUNTY OF CENTRE

On this 14<sup>th</sup> day of May, 1980, before me, the undersigned officer, personally appeared Henry D. Sebastian who acknowledged himself to be the President of Centers for Association, and that he, being authorized to do so, executed the foregoing Code of Regulations for the purposes therein contained.

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

Myrna J. Alterio  
MY COMMISSION EXPIRES:

MYRNA J. ALTERIO, Notary Public  
State College, Centre Co. PA.  
My Commission Expires Mar. 25, 1982