

CODE OF REGULATIONS
OF
GATEWAY TOWERS CONDOMINIUM

1. Identity. The following is the Code of Regulations of GATEWAY CONDOMINIUM (hereinafter referred to as the "Condominium"), promulgated as required under the Unit Property Act of the Commonwealth of Pennsylvania, for the purpose of the administration of the Condominium by Gateway Towers Condominium Association, Inc. (hereinafter referred to as the "Association"). The Condominium has been established by the recording, contemporaneously with the recording hereof, of the Declaration of Condominium (hereinafter referred to as the "Declaration") of the Condominium and the Declaration Plan (hereinafter referred to as the "Declaration Plan") of the Condominium in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania.

1.1 Office. The principal office of the Association shall be at 320 Fort Duquesne Boulevard, Pittsburgh, Pennsylvania 15222, or at such other place as may be designated subsequently by the board of administration of the Association (hereinafter referred to as the "Council"). A complete set of the books and records of the Association shall be kept at its principal office.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall bear the name of the Association, the word "SEAL", the words "nonprofit corporation" and the year of incorporation.

2. Definitions. The terms used in this Code of Regulations shall have the meaning for each stated in the Declaration, unless herein provided to the contrary, or unless the context otherwise requires. In addition, the following terms shall have the meaning for each stated below:

2.1 "Maintenance Schedule" means the schedule attached hereto as Exhibit "A" and by this reference made a part hereof, which delineates the various responsibilities of Unit Owners and the Association for the maintenance of the Condominium Property.

2.2 "Mortgagee Protective Agreement" means the agreement executed by the Association to establish certain management standards for the Condominium and the Association, a copy of which is attached hereto as Exhibit "B" and by this reference made a part hereof, as said agreement may be amended from time to time.

2.3 "Mortgage Holder" means the Institutional Mortgagee holding the greatest principal dollar amount of Institutional Mortgages incumbering one of more Condominium Parcels.

3. Members' Meetings.

3.1 Annual Meeting. The annual members' meeting shall be held on the date, at the place and at the time, as determined by the Council from time to time, provided that there shall be an annual meeting every calendar year (although not necessarily in the year of incorporation) and not later than thirteen

months after the last preceding annual meeting. The purpose of the meeting shall be to elect Directors for the positions on the Council for which the Unit Owners other than the Sponsor are eligible to vote and to transact any other business authorized to be transacted by the members or stated in the notice of the meeting sent to Unit Owners in advance thereof.

3.2 Special Meetings. Special members' meetings shall be held at such places as provided for annual meetings and may be called by a majority of the Council or by persons entitled to cast at least ten (10%) percent of the votes of the members of the Association at such meeting. At any time, upon the written request of a person who has participated in the calling of a special meeting, it shall be the duty of the Secretary to establish the time of the meeting, which shall be held not more than sixty days after the receipt of the request. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

3.3 Notice of Meeting. Notice of a meeting of members stating the time and place and the objects for which the meeting is called shall be given or at the direction of the President or Secretary. The members may not act at the meeting with respect to any matters not subsumed in the objects of the meeting disclosed in the notice. A copy of the notice shall be mailed to each member entitled to vote at the meeting, unless the member waives in writing the right to receive notice of the meeting. The notice of each meeting, unless so waived, shall be delivered by hand, sent by first-class mail, postage prepaid, or by telegram, charges prepaid, to each Unit Owner at his address shown in the records of the Association, not less than fourteen days nor more than sixty days prior to the date of the meeting. Proof of the mailing of the notice may be provided by the affidavit of the person serving the notice. Notice of specific meetings may be waived before or after the meeting, and attendance at any meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

3.4 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast a majority of the votes of the entire membership at the meeting.

3.5 Parliamentary Rules. When not in conflict with the Condominium Documents, Roberts' Rules of Order (the latest edition) shall govern the conduct of all members' meetings.

3.6 Place of Meeting. All members' meetings shall be held in the Building or in such other place as the Council may decide prior to notice of the meeting being given.

4. Members' Voting.

4.1 Percentages of Votes. In any meeting of members, each member entitled to vote at the meeting shall be entitled to cast the percentage of votes provided in the Declaration for each Condominium Parcel such member owns. The vote attributable to a Unit shall not be divisible.

4.2 Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Unit Owners for all purposes except where otherwise provided by law or the Condominium Documents. As used in the Condominium Documents, the terms "majority of the Unit Owners" and "majority of the members" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum shall have been attained.

4.3 Designation of Voting Member. If a Condominium Parcel is owned by one person, his right to vote shall be established by his record title thereto, as reflected by the roster of members. If a Condominium Parcel is owned by more than one person, or is under lease, the person entitled to cast the vote for the Condominium Parcel shall be designated by a certificate signed by all of the record owners of the Condominium Parcel according to the roster of members and filed with the Secretary of the Association. If a Condominium Parcel is owned by a corporation, the person entitled to cast the vote for the Condominium Parcel shall be an officer of such corporation designated by a certificate signed by an appropriate officer and filed with the Secretary of the Association. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Condominium Parcel concerned. A certificate designating the person entitled to cast the vote for a Condominium Parcel may be revoked by any owner of a share in the Condominium Parcel. If a certificate designating the person entitled to cast the vote for a Condominium Parcel is required under the terms of this subsection but is not on file or has been revoked, the vote of the owners thereof shall not be considered in determining whether a quorum is present or for any other purpose, except if the Condominium Parcel is owned jointly by a husband and wife. If a Condominium Parcel is owned jointly by a husband and wife, they may, without being required to do so, designate a voting member in the manner provided above. In the event a husband and wife do not designate a voting member, the following provisions shall apply:

(a) If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, and their vote shall not be considered in determining whether a quorum is present on that subject at the meeting.

(b) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the vote for the Condominium Parcel, just as though he or she owned it individually, and without establishing the concurrence of the absent person.

(c) If both are present at a meeting and concur, either one may cast the vote for the Condominium Parcel.

4.4 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid for such period not exceeding eleven months from the date of the execution of the proxy as shall be provided on the face thereof (unless revoked). A proxy must be filed in

writing, signed by the voting member generating the proxy and filed with the Secretary of the Association before the appointed time of the meeting, or before the time to which the meeting is adjourned.

4.5 Record Date. Irrespective of the consideration of proxies, the record date and time for determining the members entitled to vote at a meeting and any adjournment thereof shall be the date and time at which such meeting is scheduled to begin, as provided in the notice of such meeting.

4.6 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting to such time and place as they may determine, but not for a period exceeding fifteen days, provided at least ten days prior to the day set for such second adjourned meeting, notice of such second adjourned meeting is given in the manner required for notice of a meeting to each member entitled to vote at such second adjourned meeting, acting upon the purpose or purposes for which the original meeting was called.

4.7 Order of Business. The order of business at annual members' meetings and, if applicable, at other members' meetings, shall be:

- (a) Call to order by President;
- (b) Election of chairman of the meeting;
- (c) Calling of the roll and certifying of proxies;
- (d) Proof of notice of the meeting or waiver of notice;
- (e) Reading and disposal of any unapproved minutes;
- (f) Reports of officers;
- (g) Reports of committees;
- (h) Appointment of inspectors of election;
- (i) Determination of number of Directors;
- (j) Election of Directors;
- (k) Unfinished business;
- (l) New business;
- (m) Adjournment.

4.8 Minutes of Meeting. The minutes of all meetings of members shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Directors at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

4.9 Joinder in Meeting and Effect on Quorum. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall evidence the presence of such member for the purpose of determining a quorum.

4.10 Consent of Members in Lieu of Meeting. Any action which may be taken at a members' meeting other than an amendment to this Code of Regulations or the adoption of a new provision thereof, may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the members who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the Association.

4.11 Termination and Transfer of Membership. Change of membership in the Association shall be established by recording in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania, a deed or other instrument establishing record title to a Condominium Parcel and the delivery to the Association of a true copy of such instrument. The new Unit Owner designated by such instrument shall thereupon become a member of the Association and the membership of the prior Unit Owner shall thereby be terminated.

5. Council.

5.1 Membership. The affairs of the Association shall be governed by a Council of initially three, and not less than three, nor more than nine Directors, who are residents of the Commonwealth of Pennsylvania, the exact number of which may be changed from time to time upon the affirmative vote of a majority of the members.

5.2 Election of Directors. The election of Directors elected by Unit Owners other than the Sponsor shall be conducted in the following manner:

(a) That election shall be held at the annual members' meeting.

(b) A nominating committee of five members may be appointed by the Council not less than thirty days prior to the annual members' meeting. The committee shall nominate one person for each seat on the Council as then constituted. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

(c) The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

(d) Except as to vacancies resulting from removal of Directors by members, vacancies in the positions on the Council elected by members other than the Sponsor occurring between annual meetings of members shall be filled by the remaining Directors, even if less than a quorum, provided that all vacancies in directorships to which Directors were appointed by the Sponsor pursuant to the provisions of Subsection 5.17 shall be filled by the Sponsor.

(e) Any Director not appointed by the Sponsor may be removed by concurrence of a majority of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Council so created shall be filled by the members at the same meeting.

(f) Four or more consecutive absences from regular meetings of the Council by any Director not appointed by the Sponsor, unless excused by a resolution of the Council, shall be grounds for disqualification for cause by a majority vote of the Council. In addition, if a Director is more than sixty days delinquent in the payment of an Assessment or a Special Assessment, his term shall expire after such period, and he shall likewise be disqualified from future membership on the Council until he is no longer delinquent in paying Assessments and Special Assessments.

(g) Any foregoing provision to the contrary notwithstanding, though, until a majority of the Directors are elected by the members other than the Sponsor, no Directors appointed by the Sponsor shall be subject to removal by members other than the Sponsor, except in accordance with Subsection 5.17. Any Directors designated by the Sponsor may be removed and replaced by the Sponsor, except as provided in Subsection 5.17.

5.3 Term. The term of service of each Director elected by members other than the Sponsor shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified, or until he resigns or is removed in the manner elsewhere provided herein. The term of service of each Director appointed by the Sponsor shall extend until he resigns or is removed by the Sponsor, except as provided in Subsection 5.17.

5.4 Organizational Meeting. After the Unit Owners other than the Sponsor elect a majority of the Council, the organizational meeting of a newly elected Council shall be held within ten days of their election at such place and time as shall be fixed and announced by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary to any Director present in person at the meeting.

5.5 Regular Meetings. Regular meetings of the Council may be held at such time and place as shall be determined, from time to time, by a majority of the Council. Except as provided in Subsection 5.4, notice of regular meetings shall be given to each Director at his address shown in the records of the Association, personally or by first-class mail, postage prepaid, or by telegraph, charges prepaid, and shall be transmitted at least five days prior to the meeting. Regular meetings of the Council shall be open to all Unit Owners, and notice of such meetings shall be posted conspicuously on the Condominium Property forty-eight hours in advance for the attention of the members of the Association, except in the event of an emergency.

5.6 Special Meetings. Special meetings of the Council may be called by the President and must be called by the President or Secretary at the written request of a majority of the Directors.

Notice of the meeting shall be given personally to each Director at his address shown on the records of the Association or by first-class mail, postage prepaid, or by telegraph, charges prepaid, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three days prior to the meeting. Special meetings of the Council shall be open to all members, and notice of special meetings shall be posted conspicuously on the Condominium Property forty-eight hours in advance of the meeting, except in the event of an emergency.

5.7 Place of Meeting. All Council meetings shall be held in the Building or in such other place as the Council may from time to time authorize, and such place shall be specified in the notice of the meeting.

5.8 Waiver of Notice. Any Director may waive notice of a Council meeting before or after the meeting, and that waiver shall be deemed equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business on the ground of the meeting not being lawfully called.

5.9 Quorum, Majority Vote and Proxies. A quorum at meetings shall consist of a majority of the entire Council. Each Director shall have one vote on any matter considered by the Council. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Council, except when approval by a greater number of Directors is required by the Condominium Documents. As used in the Condominium Documents, the terms "majority of the Directors" and "majority of the Council" shall mean those Directors having more than 50% of the total authorized votes of all Directors present and voting at any meeting of the Council at which a quorum shall have been attained.

5.10 Adjourned Meetings. If at any meeting of the Council there be less than a quorum present, or if the Council has not completed action upon any purpose for which the meeting was called, the majority of the Directors present may adjourn the meeting from time to time as long as a quorum is present at the resumption of the adjourned meeting. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice of the adjourned meeting or the business to be transacted at it.

5.11 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a Council meeting by signing and concurring in the minutes of that meeting shall constitute the presence of that Director for the purpose of determining a quorum at such meeting.

5.12 Conference Telephone. One or more Directors may participate in a Council meeting by the use of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

5.13 Action by Written Consent. Any action which may be taken at a Council meeting may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors and shall be filed with the Secretary.

5.14 Presiding Officer. The presiding officer of the Council meetings shall be the Chairman of the Board if such an officer has been elected; and if none has been elected, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

5.15 Order of Business. At Council meetings, such of the following matters as are appropriate for consideration shall be considered in the following order:

- (a) Calling of roll;
- (b) Proof of due notice of meeting;
- (c) Reading of minutes and disposal of any unapproved minutes;
- (d) Reports of officers and committees;
- (e) Election of officers;
- (f) Unfinished business;
- (g) New business;
- (h) Adjournment.

5.16 Minutes of Meetings. The minutes of all meetings of the Council and all actions by written consent of the Directors shall be kept in a book available for inspection by members, or their authorized representatives, and by Directors at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

5.17 Transfer of Control. Notwithstanding anything to the contrary contained in this Section 5, the Council shall consist of three Directors until the Sponsor relinquishes its right to appoint not less than a majority of the Directors, as hereinafter provided, or until such right expires under the terms of this subsection. The Sponsor shall have the right to appoint all Directors until members other than the Sponsor own all of the Units or until the Sponsor relinquishes such right. Such relinquishment may be effected only by written notice from the Sponsor to the Secretary of the Association. Within sixty days after the Unit Owners other than the Sponsor are entitled to elect a majority of the Council, the Association shall, by giving not less than fourteen days' or more than sixty days' notice thereof, call a meeting of the Unit Owners to elect such Directors. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

6. Powers and Duties of the Council. The Council shall have the powers and duties necessary for the administration of the affairs of the Condominium and may take all acts in executing such powers except such acts which by law or the Condominium Documents may not be delegated to the Council by the Unit

Owners. Except as limited by law and unless otherwise specified in the Condominium Documents, any action which the Association is authorized or directed to undertake may be undertaken by the Council or any committee to which the Council has delegated the authority to undertake such action.

6.1 Specific Powers and Duties. The powers and duties of the Council shall include, without limitation (except as limited elsewhere by law or in the Condominium Documents), the following areas of authority and responsibility:

- (a) Operating, caring for, keeping up and maintaining the Common Elements to the extent provided herein;
- (b) Determining the expenses required for the operation of the Condominium and the Association;
- (c) Levying and collecting the Assessments for Common Expenses and Special Assessments from Unit Owners required to pay same;
- (d) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements and for the performance of the services required for the proper administration of the purposes of the Association, including employing attorneys, accountants and other professionals;
- (e) Adopting, amending, distributing and enforcing rules and regulations concerning the details of the operation and use of the Condominium Property, subject to a right of the Unit Owners to overrule the Council as provided in Section 17;
- (f) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor;
- (g) Purchasing, leasing or otherwise acquiring Units in accordance with the Declaration, in the name of the Association or its designee;
- (h) Enforcing by legal means the provisions of the Condominium Documents;
- (i) Selling, leasing, mortgaging or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association or its designee;
- (j) Organizing corporations to act as designees of the Association in acquiring title to or leasing Units by the Association;
- (k) Paying the cost of all Utility Services rendered to the Condominium and not separately billed to owners of individual Units other than the Association;
- (l) Making repairs, additions and improvements to, or alterations of the Condominium Property, and repairs to and restoration of the Condominium Property, in accordance with the provisions hereof;
- (m) Allocating profits and expenses and doing anything and everything else necessary and proper for the sound management of the Condominium;

(n) Paying taxes, assessments and fines which are liens against any part of the Condominium, other than individual Condominium Parcels not owned by the Association and assessing the same against the Condominium Parcels subject to such liens;

(o) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Elements; provided, however, that (i) the consent of the Owners of at least two-thirds (2/3) of the Units, obtained at a meeting duly called and held for such purpose in accordance with the provisions hereof shall be required for the borrowing of any sum in excess of \$20,000.00; (ii) no lien to secure repayment of any sum borrowed may be created voluntarily by the Association on any Unit not owned by the Association; and (iii) if any sum borrowed by the Council on behalf of the Association pursuant to authority contained in this subsection is not repaid by the Association, a Unit Owner who pays to the creditor such proportion of such sum as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against such Owner's Unit;

(p) Contracting for the management of the Association and the Condominium Property, including any income-producing property located thereon, and delegating to such contractor such powers and duties as the Council may deem appropriate in the circumstances, except those which may be required by law or by the Condominium Documents to be approved by the Council or the Unit Owners; contracting for the management or operation of any portions of the Condominium Property susceptible to separate management or operation thereof; granting concessions for the purpose of providing services to Unit Owners; and, in the exercising of the above powers, contracting with entities with which one or more members, Directors or officers of the Association are affiliated, by which they are employed, of which they are directors or officers or in which they have a financial interest;

(q) At its discretion, authorizing Unit Owners or other persons to use Common Elements such as social rooms, meeting rooms, recreational facilities, etc., for private parties and gatherings and imposing reasonable charges for such private uses;

(r) Exercising all powers specifically set forth in the Condominium Documents, the Pennsylvania Corporation Not-for-profit Code, the Unit Property Act and all powers incidental thereto;

(s) Suspending the right of any Unit Owner to use the recreational facilities of the Condominium as long as such Unit Owner is delinquent in the payment of Common Expenses or any special Assessments;

(t) Imposing a lawful fee in connection with the approval of the transfer or sale of Units, in any one case not to exceed the maximum amount, if any, allowed therefor by law;

(u) Purchasing insurance upon the Condominium Property and any other insurance for the protection of the Association and its members; and

(v) Otherwise using the proceeds from Assessments and Special Assessments in the exercise of its powers and duties.

6.2 Committees. The Council may designate one or more committees which, except as restricted by law, shall have the powers of the Council for the management of the affairs and business of the Association to the extent provided in the resolution designating such a committee. Any such committee shall consist of at least three members of the Association, at least one of whom shall be a Director. The committee or committees shall have such name or names as may be determined from time to time by the Council, and any such committee shall keep regular minutes of its proceedings and report the same to the Council as required. The foregoing powers shall be exercised by the Council or its contractor, manager or employees, subject only to approval by Unit Owners when such is specifically required.

6.3 Enforcement. The Council shall enforce by legal means provisions of the Unit Property Act, the Condominium Documents and any rules and regulations for the use of the property in the Condominium. In the event that the Council determines that any Unit Owner or Occupant is in violation of any provisions thereof, the Council, or an agent of the Council designated for that purpose, shall notify the Unit Owner or Occupant of the nature of the violation. If said violation is not cured within five days, or if said violation consists of acts or conduct by the Unit Owner or Occupant and such acts or conduct are repeated, the Council may levy a fine of up to \$25.00 per offense against the Unit Owner or Occupant. Each day during which the violation continues shall be deemed a separate offense. Such fines shall be assessed as a Special Assessment against the Unit Owner or Occupant, the collection of which may be enforced in the same manner as the collection of an Assessment, provided that before imposition of any fine, the defaulting Unit Owner or Occupant shall be entitled to a hearing before the Council, upon reasonable written notice specifying the violations charged, and may be represented by counsel; and provided further that no fine may be levied in any event against the Sponsor. In addition, the failure of any Unit Owner to comply with the provisions of this Code of Regulations, with any rules and regulations promulgated hereunder or with any covenant, condition or restriction set forth in the Declaration, in any deed to a Unit or in the Declaration Plan shall be grounds for an action for the recovery of damages or for injunctive relief, or both, maintainable by any Director on behalf of the Council or the Association, or, in a proper case, by an aggrieved Owner or mortgagee of a Unit.

6.4 Record of Unit Owners and Mortgagees. The Council shall arrange for the maintenance of a book or other written record of all Unit Owners and all holders of mortgages upon each Condominium Parcel. The holder of each mortgage shall be designated as either an Institutional Mortgagee or not, as the case may be. Each Unit Owner must notify the Association of his ownership and of any mortgage, and the satisfaction of any mortgage, on his Condominium Parcel, and the name and address of the mortgagee, within five days after acquiring the Condominium Parcel, entering into a mortgage on his Condominium Parcel or receiving a satisfaction of such a mortgage, as the case may be. Such notification shall be effected by delivery of a copy of the appropriate deed, mortgage and/or other instruments to the Association, or by such other method as is acceptable to the Council. This record shall be open to inspection or for copying by the Sponsor and Institutional Mortgagees during normal business hours but, in order to protect the privacy of Unit Owners, not by Unit Owners or others without a valid court order. The Association may rely upon the accuracy of such record for all purposes until notified in writing of changes therein as provided above. Such record shall be conclusive for the determination of the Unit Owners and mortgagees of record on any particular date for the purpose of the giving of notice unless adequate contrary evidence is furnished to the Association after such date and before the event of which the notice is given.

6.5 Annual Report of Council. As promptly as practicable after the end of each fiscal year of the Association, the Council shall present to the members and file with the minutes of the members' meetings a report, verified by the President and Treasurer or by a majority of the Council, showing in appropriate detail the following:

- (a) The assets and liabilities, including any trust funds, of the Association as of the end of the fiscal year immediately preceding the date of the report;
- (b) The principal changes in assets and liabilities, including any trust funds, during the year immediately preceding the date of the report;
- (c) The revenue or receipts of the Association, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund, if any, held by or for the Association;
- (d) The expenses or disbursements of the Association for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund, if any, held by or for the Association; and
- (e) The number of members of the Association as of the date of the report, together with a statement of increase or decrease in such number during the year immediately preceding the date of the report, and a statement of the place where the names and addresses of the current members may be found.

7. Officers.

7.1 Officers and Election. The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, all of whom shall be elected by the Council, as provided below in this subsection, and who may be peremptorily removed, with or without cause, by the vote of a majority of the Directors present in person or by proxy at any meeting. No officer need be a member of the Council. Any person may hold two or more offices, except that the President shall not also be the Secretary. The Council shall from time to time elect such other officers and designate their powers and duties as the Council shall find necessary to manage the affairs of the Association properly. Until the members other than the Sponsor elect a majority of the Directors, the initial set of officers and/or any additional officers and successors elected by the Directors shall serve. After the election of a majority of the Directors by members other than the Sponsor, the officers shall be elected annually by the Council at its first meeting following the annual meeting of the Association. A vacancy in any office shall be filled by the Council's election of a person to fill the unexpired term of the vacant office.

7.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of a condominium association, including but not limited to the power to appoint committees from among the members from time to time assist in the conduct of the affairs of the Association as he in his discretion may determine appropriate.

7.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

7.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Council and the members. He shall attend to the serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of a condominium association and as may be required by the Council or the President.

7.5 Assistant Secretary. An Assistant Secretary may exercise the powers and perform the duties of the Secretary in the absence of disability of the Secretary.

7.6 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with generally accepted accounting practices which, together with substantiating papers, shall be made available to the members of the Council during regular business hours. The records shall include but not be limited to (a) a record of all receipts and expenditures, including expenditures affecting the Common Elements, specifying and itemizing the maintenance, repair and replacement expenses of

the Common Elements and any other expenses incurred, and (b) an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of each Assessment, the dates and amounts in which the Assessments become due, the amount paid upon the account, and the balance due. He shall submit a Treasurer's Report to the Council at reasonable intervals and shall perform all other duties incident to the office of treasurer of a condominium association. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Council. The duties of the Treasurer may be fulfilled by an employee of the Association.

8. Compensation. Neither Directors nor officers who are members shall receive compensation for their services as such, but this provision shall not preclude the Council from employing a Director or officer as an employee of the Association, nor shall it preclude the contracting with a Director or officer for management services or for any other service to be supplied by such Director or officer.
9. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date. The acceptance of a resignation shall not be required to make it effective.
10. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

10.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

(a) Current expenses shall include all receipts and expenditures to be made within the year for which the receipts are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the Assessments for current expenses for the succeeding year or to fund reserves.

(b) The following reserves may be established in the discretion of the Council, and any or no amount may be budgeted for any such reserve, in the sole discretion of the Council:

(i) Any reserve for deferred maintenance shall include funds for maintenance items which occur less frequently than annually.

(ii) Any reserve for replacement shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(iii) Any reserve for betterments shall be used for capital expenditures, for additional improvements or for additional personal property that will be part of the Common Elements.

(c) The Association shall keep a separate account for each individual Condominium Parcel which shall designate the name and address of the Unit Owner, the amount of each Assessment, the dates on which the Assessment comes due and the amounts paid upon the Unit Owner's account and the balance due.

10.2 Budget. The Council shall from time to time, and at least annually, prepare a budget for the Condominium which shall include the estimated funds required to defray the current expenses and may provide funds for the foregoing reserves, determine the amount of Assessments payable by the Unit Owners to meet the expenses of the Condominium and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Declaration. The Council may consider and adopt a budget or, in lieu thereof, the Council may propose a budget to the Unit Owners at a meeting of the members.

10.3 Proviso. The Council may, as it deems appropriate, omit from the budget all allowances for contingencies, capital surplus and reserves.

10.4 Excess Assessments in Fiscal Year. Because of the extreme difficulty of adopting a budget for each fiscal year that exactly coincides with the actual expenses during that year, the Council shall report to the Unit Owners at the annual meeting of Unit Owners the amount, if any, by which Assessments for the preceding fiscal year to date shall have exceeded the expenditures of the Association. Unless the members at the meeting decide otherwise, such excess shall be applied automatically against the following year's Assessments.

10.5 Assessments. The annual Assessments against the Unit Owners for their shares of the items of the budget shall be calculated and levied by the Council in advance at least thirty days before the beginning of the fiscal year of the Association for which the Assessments are made. Unless the Council decides otherwise, such Assessments shall be due in equal quarterly payments on the first day of the months of January, April, July and October of the fiscal year for which the Assessments are made and the adoption of the resolution requiring the payment of each such installment shall be effective thirty days before the due date of such installment. Nevertheless, the Council may elect at any time to change the intervals at which such installments are payable, and any such change may be effected without an amendment to this Code of Regulations as long as the installments are payable no less frequently than quarterly. If an annual Assessment is not levied as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment, and periodic payments thereof shall be due at the same intervals as in the preceding fiscal year until a subsequent Assessment is levied. In the event the annual Assessment proves to be insufficient, the budget and Assessments may be revised at any time by the Council. The unpaid portion of the Assessment, as revised for the remaining months of the fiscal year for which the revised Assessment is made, shall be due on the first day of the month next succeeding the month in which such revised Assessment is made, or as otherwise provided by the Council.

10.6 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall not have paid an installment of an annual Assessment within thirty days of the date such installment shall have become due, the Council may accelerate the remaining installments of the Assessment upon notice to the Unit Owner, and then the unpaid balance of the Assessment shall become due upon the date stated in the notice, but not less than ten days after the personal delivery of the notice to the Unit Owner, or if such notice be by registered or certified mail, not less than twenty days after the mailing, whichever shall occur first.

10.7 Special Assessments. Special Assessments by the Association against members for other than Common Expenses shall be payable in advance. Special Assessments may be collected by assessment in the same manner as Common Expenses, and when circumstances permit, shall be added to the Assessments for Common Expenses. Special Assessments for other than Common Expenses may be made only after approval of a member or when expressly authorized in the Condominium Documents.

10.8 Assessments for Emergencies. Special Assessments for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be due only after thirty days' notice is given to the Unit Owners concerned, and shall be paid in such manner as the Council may require in the notice of Assessment.

10.9 Depository. The depository of the Association shall be such bank or banks in Allegheny County, Pennsylvania, as shall be designated from time to time by the Council and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized either by the Council or by the terms of a management contract with the Association. All sums collected by the Association may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Council.

10.10 Fidelity Bonds. Fidelity bonds shall be required by the Council for all persons handling or responsible for Association funds in such amount as shall be determined by the Council in accordance with the provisions of the Mortgagee Protective Agreement. The premiums on such bonds shall be paid by the Association.

10.11 Audit. An audit of the accounts of the Association may be made from time to time as directed by the Council. A copy of any audit report received as a result of an audit shall be furnished each member of the Association not less than thirty days after its receipt by the Council.

10.12 Application of Payment. All payments of Assessments and Special Assessments by a Unit Owner shall be applied as provided herein and in the Declaration.

11. Assessments. The Association, through the Council, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses in accordance with any estimated operating budget adopted by the Association and such other Special Assessments as are specifically provided for

herein or in the Declaration. Special Assessments and Assessments against Unit Owners for Common Expenses shall be levied and collected in accordance with the following provisions:

11.1 Share of Common Expenses and Common Profits. Each Unit Owner shall be liable for a share of the Common Expenses, and shall share in the Common Profits, in the percentage as set forth for his Unit in the Declaration, but such share shall not vest or create in any Unit Owner the right to withdraw or receive a distribution of his share of the Common Profits.

11.2 Payments. Assessments shall be levied and collected by the Council as provided in this Code of Regulations. A Unit Owner, irrespective of the manner in which title to his Unit is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments and installments thereof coming due while he is the Unit Owner. The grantee in a voluntary conveyance of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for his share of the Common Expenses and all Special Assessments due before the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability of a Unit Owner for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made. Special Assessments, Assessments and installments thereof paid on or before the tenth day after the day when the same are due shall be payable without the payment of any late charge or interest, but if not paid before the expiration of such ten-day period, shall bear interest from the date due until paid at the rate 6% per annum. All payments on account thereof shall be first applied to interest and then to the installment first due.

11.3 Unit Owner's Obligation for Assessments. All Assessments levied against a Unit constitute the personal liability of the Owner of the Unit.

11.4 Suit for Unpaid Assessments. Any past-due Assessments, Special Assessments, installments of either, and/or interest pursuant to Subsection 11.2 owed by a Unit Owner to the Association may be enforced by a suit by the Council acting on behalf of the Association in an action in assumpsit as provided in the Unit Property Act.

11.5 Possession of Unit after Sheriff's Sale. If, after any sheriff's sale pursuant to Subsection 11.7, the former Unit Owner or anyone claiming through him shall remain in possession of the Unit, he shall be required to pay a reasonable rental for the Unit, and the Association shall be entitled as a matter of law to the appointment of a receiver to collect the same.

11.6 Nonexclusive Remedies. The Council may institute, settle or compromise any personal action under Subsection 11.4 or any action to enforce or foreclose a lien as it may deem in the best interest of the Association.

11.7 Unpaid Assessments at Time of Sheriff's Sale of Condominium Parcel. In the event that title to a Unit is transferred by sheriff's sale pursuant to execution upon any lien against the Unit, the Council may give notice in writing to the sheriff

of any unpaid Assessments for Common Expenses which are a charge against the Unit but have not been reduced to a lien pursuant to Section 703 of the Unit Property Act, and the sheriff shall pay the Assessments of which he has notice out of any proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay, but prior to any distribution of the balance to the former Unit Owner against whom the execution issued. The purchaser at such sheriff's sale and the Unit involved shall not be liable for unpaid Assessments for Common Expenses which became due prior to the sheriff's sale of the Unit. Any such unpaid Assessments which cannot be promptly collected from the former Unit Owner may be reassessed by the Council as a Common Expense to be collected from all of the Unit Owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns. To protect its right to collect unpaid Assessments which are a charge against a Unit, the Council may, on behalf of the Association, purchase the Unit at the sheriff's sale, provided such action is authorized by the affirmative vote of a majority of the Council, and if the Council does so purchase, the Council shall thereafter have the power to sell, convey, mortgage or lease such Unit to any person whatsoever in accordance with and subject to the terms and provisions of the Condominium Documents.

11.8 Institutional Mortgagees. Where an Institutional Mortgagee or other purchaser obtains title to a Condominium Parcel as a result of the foreclosure of an Institutional Mortgage or as a result of a conveyance in lieu of foreclosure of the Institutional Mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the Common Expenses of Assessments or Special Assessments by the Association pertaining to such Condominium Parcel or chargeable to the former owner of such Condominium Parcel which became due prior to acquisition of title in the manner above provided, unless such share is secured by a claim of lien for Assessments and/or Special Assessments that is recorded prior to the recording of said Institutional Mortgage. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all the Unit Owners including such acquirer, its successors and assigns.

11.9 Sponsor's Obligation to Pay Assessments. No Unit Owner, including the Sponsor, may be excused from the payment of his proportionate share of the Common Expenses unless all Unit Owners are likewise proportionately excused from such payment.

11.10 Assignment of Claim. The Association, acting through the Council, shall have the right to assign its claim and lien rights for the recovery of any unpaid Assessments and/or Special Assessments to any Unit Owner or group of Unit Owners, or to any third party.

11.11 Certificate Concerning Unpaid Assessments. Any Unit Owner or the purchaser in any written agreement for the purchase of a Condominium Parcel has the right to require from the Treasurer a certificate showing the amount of unpaid Assessments and Special Assessments with respect to the Condominium Parcel owned or being purchased, as the case may be. If a purchaser in any written agreement for the purchase of a Condominium Parcel shall obtain such a certificate and the certificate does not reveal the full amount of the unpaid

Assessments and Special Assessments with respect to the Condominium Parcel as of the date of the certificate and such purchaser purchases such Condominium Parcel in reliance upon such certificate, neither such purchaser nor the Condominium Parcel shall be liable for the payment of an amount in excess of the amount shown as unpaid in the certificate. Any such excess which cannot be promptly collected from the selling Unit Owner may be reassessed by the Council as a Common Expense to be collected from all Unit Owners otherwise liable for the payment of Common Expenses, including such purchaser, his successors and assigns.

12. Insurance. Insurance, other than title insurance, which shall be carried upon the Condominium Property and the property of the Unit Owners shall be governed by the provisions of the Mortgagee Protective Agreement and the following provisions:

12.1 Authority of Individual Unit Owners to Purchase and Sponsor's Recommendation. It shall not be the responsibility or duty of the Association to obtain insurance coverage upon any individual Unit or upon the personal liability (especially liability for accident within his own Unit), personal property or living expenses of any Unit Owner, but each Unit Owner may obtain such insurance at his own expense, provided such insurance may not be of a nature to affect adversely policies purchased by the Association. Unit Owners shall furnish the Association with copies of all insurance policies obtained by them. The Owner of a Unit (as well as the holder of any Institutional Mortgage thereon) may obtain additional insurance at his own expense. Such insurance shall be written by the same carrier as that insurance purchased by the Council pursuant to this section or shall provide that it shall be without contribution as against the same. The Sponsor recommends that each Owner of a Unit obtain a "Tenant's Homeowner's Policy" or its equivalent, to insure against loss or damage to fixtures and interior partitions not included within the Common Elements, personal property used or incidental to the occupancy of the Unit, additional living expense, plate glass damage, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit owner's endorsement" covering losses to improvements and betterments to the Unit made or acquired at the expense of the Unit Owner.

12.2 Premium. Premiums for insurance to be maintained by the Association shall be paid by the Association as a Common Expense, except that the amount of increase in any premium occasioned by the misuse, occupancy or abandonment of any Unit, Units, their appurtenances or the Common Elements by a particular Unit Owner or particular Unit Owners shall be assessed against and paid by such Unit Owner or Unit Owners. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements of the Mortgage Holder, the Mortgage Holder shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, the Mortgage Holder shall be subrogated to the Assessment and lien rights of the Association as against the individual Unit Owners for the payment of such item of Common Expense.

12.3 Insurance Trustee. All insurance policies purchased by the Association shall provide that all proceeds covering property losses shall be paid to an Insurance Trustee, being an institution having offices in Allegheny County, Pennsylvania, and possessing trust powers, as may from time to time be approved by the Council, which trustee is herein referred to as the "Insurance Trustee", or in lieu thereof shall be paid to the Council, which shall then act as the Insurance Trustee; provided, however, that the foregoing right of the Council to select the Insurance Trustee shall be subject to the continuing approval of the Mortgage Holder. The Insurance Trustee may be designated before or after a casualty loss occurs.

12.4 Shares of Proceeds. The duties of the Insurance Trustee shall be to receive such insurance proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Unit Owners and their mortgagees in the following shares, which shares need not be set forth on the records of the Insurance Trustee:

(a) Common Elements. An undivided share of the proceeds on account of damage to Common Elements shall be held for each Unit Owner, with such share's portion of the total proceeds being the same percentage thereof as the share of the Common Elements appurtenant to his Unit as set forth in the Declaration.

(b) Units. Except as provided in Subsection 12.4(c) below, proceeds on account of damage to Units shall be held in the following undivided shares:

(i) When the Condominium Portion of the Building is to be restored, the proceeds shall be held for the Owners of damaged Units, with the share of each in the total proceeds being in the proportion that the cost of repairing the damage suffered by such Unit Owner bears to the total cost of repair, which costs shall be determined by the Council.

(ii) When the Condominium Portion of the Building is not to be restored, the proceeds shall be held for the Owners of Units in the Condominium Portion of the Building, in undivided shares which are the same as their respective shares of the Common Elements as set forth in the Declaration.

(c) Mortgagees. In the event a mortgagee endorsement has been issued with respect to a Unit, the share of the Owner of that Unit shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination whether or not any damaged property shall be reconstructed or repaired except as provided in Subsections 13.1(b)(i) and 13.1(b)(ii).

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

(a) Expenses of Trustee. First, all expenses of the Insurance Trustee shall be paid or provision shall be 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 as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners in shares established pursuant to Subsection 12.4, with remittances to Unit Owners and mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Parcel and may be enforced by any such mortgagee.

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided herein 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 in shares established pursuant to Subsection 12.4, with remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by any such mortgagee.

(d) Certificate. In making distribution to Unit Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or by the Association's managing agent as to the names of Unit Owners and their respective shares of the distribution.

12.6 Association as Agent. The Association is hereby irrevocably appointed agent, with full power of substitution, for each Unit Owner and for each owner of any other insured interest in the Condominium Property, to adjust all claims arising under insurance policies purchased by the Association, to bring suit thereon in its name and/or in the name of other insureds, to deliver releases upon payments of claims, to compromise and settle such claims, and otherwise to exercise all of the rights, powers and privileges of the Association and each Unit Owner or any other holder of an insured interest in the Condominium Property under such insurance policies; provided, however, the actions of the Association shall be subject to the approval of the Mortgage Holder if the claim shall involve more than one Condominium Parcel, and if only one Condominium Parcel is involved, such actions shall be subject to the approval of any Institutional Mortgagee holding an Institutional Mortgage encumbering such Condominium Parcel.

13. Reconstruction or Repair After Casualty.

13.1 Determination to Reconstruct or Repair. If any part of the Common Elements shall be damaged to the extent that reconstruction or repair is necessary, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) Common Elements. If the damage is solely to a portion or portions of the Common Elements and does not extend to the Units, the same shall be reconstructed or repaired.

(b) Common Elements and Units.

(i) Less than Substantially Total Destruction. If the damaged improvement is the Condominium Portion of the Building and less than 90% of the amount of the

Association's casualty insurance applicable to the Condominium Portion of the Building is forthcoming by reason of such casualty, then the Condominium Portion of the Building (including all Common Elements in any damaged Units and the bathroom and kitchen fixtures in such Units at the time of the conveyance thereof by the Sponsor, but not including furniture, furnishings or other personal property supplied or installed by any Occupant or Unit Owner other than the Sponsor) shall be reconstructed and repaired unless within sixty days after notice is given to all Unit Owners and Institutional Mortgagees of the amount of such insurance which is forthcoming, at least 75% of the Unit Owners shall agree in writing that the same shall not be reconstructed or repaired.

(ii) Substantially Total Destruction. If the damaged improvement is the Condominium Portion of the Building and 90% or more of the amount of the Association's casualty insurance applicable to the Condominium Portion of the Building is forthcoming by reason of such casualty, the Condominium Portion of the Building shall not be reconstructed or repaired, and the Council shall take such steps as are necessary under the Unit Property Act to effect the termination of the Condominium.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or managing agent to determine whether or not the Unit Owners, where so provided, have made a decision whether or not to reconstruct or repair.

13.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications of the original Condominium Portion of the Building and improvements or, if not, then according to plans and specifications approved by the Council and the owner or owners of the Commercial Portion of the Building, and if the damaged property is the Condominium Portion of the Building, by the Owners of all damaged Units and by the Mortgage Holder if it shall hold an Institutional Mortgage upon one or more of the damaged Units, and if the Mortgage Holder does not hold a mortgage on at least one of the damaged Units, by all the holders of Institutional Mortgages on the damaged Units, which approvals shall not be unreasonably withheld.

13.3 Responsibility. If the damage is only to those parts of Units for which the responsibility of maintenance and repair is that of the respective Unit Owners, then those Unit Owners shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

13.4 Estimate of Costs. When the Association shall have the responsibility of reconstruction or repair, prior to the commencement of reconstruction and repair the Association shall obtain reliable and detailed estimates of the cost to repair or rebuild.

13.5 Assessments for Reconstruction and Repair. If the proceeds of insurance are not sufficient to defray completely the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the cost of reconstruction and repair are insufficient, Special Assessments shall be levied against the Unit Owners who own damaged Units, and, in the case of damage to Common Elements, Assessments shall be levied against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Special Assessments against Unit Owners for damage to Units shall be in the proportion that the cost of reconstruction and repair of their respective Units bears to the total cost of such reconstruction and repair. Such an Assessment against a Unit Owner on account of damage to Common Elements shall be in proportion to the Unit Owner's share in the Common Elements. Special Assessments for reconstruction and repair may be collected, and the collection enforced, in the same manner as an Assessment.

13.6 Construction Funds. The funds for the payment of costs for reconstruction and repair after casualty, which shall consist of the proceeds of insurance held by the Insurance Trustee and funds collected by the Association from Assessments and Special Assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total of the Assessments and Special Assessments levied by the Association in order to provide funds for the payment of reconstruction and repair which is the responsibility of the Association is more than \$10,000.00, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and shall disburse the same in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums, if any, deposited with the Insurance Trustee by the Association from the collection of Assessments and Special Assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(i) Association -- Lesser Damage. If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$10,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Council; provided, however, that upon request to the Insurance Trustee by an Institutional Mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in accordance with the procedure set forth in Subsection 10.6(b)(ii) below.

(ii) Association -- Major Damage. If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is \$10,000.00

or more, then the construction fund shall be disbursed in payment of such costs in the manner provided by the Council and upon the approval of an architect qualified to practice in Pennsylvania and employed by the Association to supervise the work.

(iii) Unit Owner. If there is a balance of insurance proceeds after the payment of the costs of reconstruction and repair that are the responsibility of the Association, this balance shall be distributed to Owners of damaged Units who are responsible for the reconstruction and repair of the damaged portions of their Units. The distribution to each such Owner shall be made in the proportion that the estimated cost of reconstruction and repair of such damage to his Unit bears to the total of such estimated costs in all damaged Units; provided, however, that no Unit Owner shall be paid an amount in excess of such estimated costs for his Unit, and if there is an Institutional Mortgage upon a Unit, the distribution shall be paid to the Unit Owner and the Institutional Mortgagee jointly, and they may use the proceeds as they may determine.

(iv) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial owner which is not in excess of the Assessments and Special Assessments paid by such owner into the construction fund shall not be made payable to any holders of a mortgage on a Unit.

(v) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine any fact or matter relating to its duties hereunder, including whether or not sums paid by Unit Owners upon Assessments or Special Assessments shall be deposited by the Association with the Insurance Trustee, whether the disbursements from the construction fund are to be made upon the order of the Association or upon approval of an architect or otherwise, whether a disbursement is to be made from the construction fund, or whether surplus funds to be distributed are less than the Assessments and Special Assessments paid by Unit Owners. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or by the Association's managing agent stating any or all of such matters, stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when an Institutional Mortgagee is herein required to be named as payee, the Insurance Trustee shall also name that Institutional Mortgagee as payee; and further provided that when required by the Association or an Institutional Mortgagee which is the beneficiary of an insurance

policy the proceeds of which are included in the construction fund, the approval of an architect named by the Association shall be first obtained by the Association.

13.7 Equitable Relief. In the event of substantial damage to or destruction of all or a substantial part of the Condominium Property, and in the event the Condominium Property is not repaired, reconstructed or rebuilt within a reasonable period of time, any Unit Owner or any Institutional Mortgagee shall have the right to petition a court of equity having jurisdiction in and for the county where the Condominium Property is located for equitable relief, which may, but need not necessarily, include a termination of the Condominium and a partition. The provisions of this subsection are paramount to all other provisions of Sections 12 and 13 hereof.

14. Condemnation.

14.1 Deposit of Awards with Insurance Trustee. If any of the Common Elements are taken by condemnation or a conveyance in lieu thereof, the awards for that taking shall, for the purposes of this Code of Regulations, be deemed to be proceeds from insurance on account of a casualty causing damage to the Common Elements within the meaning of Section 12, and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of the failure of any Unit Owner to do so, in the discretion of the Council a Special Assessment shall be levied against such Unit Owner in the amount of his award, or the amount of that award shall be set off against any sums hereafter made payable to that Owner pursuant to this section.

14.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided in Section 13 for determining whether damaged Common Elements will be reconstructed and repaired after casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

14.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the condemnation awards and Special Assessments under Subsection 14.1 will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided elsewhere herein for the distribution of insurance proceeds if the Condominium is terminated after damage to the Common Elements. If the Condominium is not terminated after condemnation, the size of the Condominium Portion of the Building will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of said awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after damage to the Common Elements.

14.4 Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

(a) Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, and the Owner of the Unit does not within a reasonable period of time provide the additional funds required for restoration, such additional funds may, in the discretion of the Council, be expended for restoration by the Association and be assessed against the Unit Owner as a Special Assessment.

(b) Distribution of Surplus. The balance of the award, if any, shall be distributed to the Owner of the Unit and to the holder of any Institutional Mortgage encumbering the Unit, the remittance being made payable jointly to the Owner and any such Institutional Mortgagee.

(c) Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements, the Common Expenses, the Common Profits and the votes appurtenant to the Unit shall be reduced in the proportion by which the floor area of the Unit is reduced by the taking, and then the shares in the Common Elements, Common Expenses, Common Profits and votes appurtenant to the other Units shall be restated as percentages of the difference between 100% and the total of the new shares as reduced by the taking so that the shares of such other Units shall be in the same proportions to each other as before the taking and so that the total of the percentages of such shares shall still equal 100%.

14.5 Unit Made Uninhabitable. If the taking is of the entire Unit, or so reduces the size of a Unit that it cannot be made habitable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

(a) Payment of Award. The award shall be paid first to any Institutional Mortgagee in an amount sufficient to pay off its mortgage on such Unit; and then jointly to the Unit Owner and other mortgagees of the Unit in an amount not to exceed the market value of the Condominium Parcel immediately prior to the taking as diminished by any sums from the award previously reserved for any Institutional Mortgagee; and the balance, if any, to the repairing and replacing of the Common Elements damaged by the taking.

(b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Council; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required in this Code of Regulations for further improvement of the Common Elements.

(c) Adjustment of Shares in Common Elements, Common Expenses, Common Profits and Votes Per Unit. The shares in the Common Elements, the Common Expenses, the Common Profits and the votes appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the other shares among the reduced number of Unit Owners. This adjustment shall be done by restating said shares of

the continuing Unit Owners as percentages aggregating 100% so that the shares appurtenant to the Units of the continuing Owners shall be in the same proportions to each other as before the adjustment.

(d) Assessments. If the balance of the award (after payments to the Unit Owner and such Owner's mortgagees as above provided) for the taking is not sufficient to finance the alteration of the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Special Assessments against all of the Unit Owners who will continue as Owners of Units after the changes in the Condominium effected by the taking. Such Special Assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes effected by the taking.

(e) Arbitration. If the market value of a Condominium Parcel prior to the taking cannot be determined by agreement among the Unit Owner, mortgagees of the Unit and the Association within thirty days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Condominium Parcel; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Owners of Units prior to the taking in proportion to the shares of the Owners in the Common Elements as they exist prior to the changes effected by the taking.

14.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Council; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required elsewhere herein for further improvement of the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation, except that if a Condominium Parcel is encumbered by an Institutional Mortgage, the distribution shall be paid jointly to the owner and the Institutional Mortgagee of the Condominium Parcel.

15. Maintenance Alteration and Improvement. Responsibility for the maintenance of the Condominium Property and restrictions upon the alteration and improvements thereof shall be as follows:

15.1 Maintenance.

(a) By the Association -- Common Elements (Including Limited Common Elements). The maintenance and operation of the Common Elements, shall be the responsibility of the Association to the extent set forth in the Maintenance Schedule, and the expense associated therewith shall be a Common Expense, except to the extent that any such cost or expense arises from or is necessitated by the negligence, misuse, neglect or

intentional acts of a Unit Owner, in which case such cost or expense shall be paid solely by such Unit Owner. Any such cost or expense not paid forthwith by such Unit Owner shall be assessed against him as a Special Assessment, which may be collected, and the collection thereof enforced, in the same manner as an Assessment. The Association shall have the right to maintain existing Common Elements regardless of any present or future encroachments of the Common Elements upon a Unit.

(b) By the Association -- Units. The Association shall maintain, repair and replace as a Common Expense all incidental damage caused to a Unit by repair and replacements performed by or on behalf of the Association in accordance with the Maintenance Schedule.

(c) By the Unit Owner. The responsibility of the Unit Owner shall include the following responsibilities:

(i) To perform all maintenance required by the Maintenance Schedule so that those portions of the Condominium Property for which the Unit Owner has the responsibility for maintenance shall be maintained in good condition and repair. Notwithstanding the foregoing, however, it shall not be the responsibility of the Unit Owner to replace items destroyed by casualty if, and only if, the insurance policy or policies owned by the Association insure against such casualty loss in an amount equal to the replacement cost thereof and payment thereof is made by the insurer to the Association, or an Insurance Trustee on its behalf, in which event the responsibility for replacement shall be that of the Association.

(ii) To report promptly to the Association any defect or need for repairs for which the Association is responsible.

(iii) To allow the Council, or the agents or employees of the Association, to enter into his Unit for the maintenance, inspection, repair or replacement of the Common Elements or of improvements within the Unit in case of emergency or circumstances threatening Units or the Common Elements, and to determine compliance with the provisions of the Condominium Documents; however, except in the event of an emergency, such entries shall not be made without prior notice to the Unit Owner.

15.2 Alteration and Improvement.

(a) By the Association -- Common Elements. Except as provided in Subsection 5.8 of the Declaration, and except for repairs and maintenance of the existing improvements, after the completion of the improvements, including the Common Elements, contemplated by the Sponsor, there shall be no alteration or further improvement of the Common Elements without the prior approval in writing of the Owners of not less than 75% of the Condominium Parcels and by Institutional Mortgagees holding Institutional Mortgages encumbering not less than 75% of the Condominium Parcels. Any such alteration or improvement shall not interfere with the rights of any Unit Owners without their consent.

(b) By the Association -- Common Elements -- Exclusive Benefit of Some Unit Owners. Where any alterations or additions to any Common Elements are exclusively or substantially exclusively for the benefit of the Unit Owner or Unit Owners requesting the same and are not materially detrimental to any other Unit Owner, said alterations or additions shall only be made when authorized by the Council and approved by not less than 75% of the Unit Owners exclusively or substantially exclusively (as the case may be) benefiting therefrom, and where said Unit Owners are ten or less, the approval of not less than all but one of them shall be required. The cost of such alterations or additions shall be assessed against and collected solely from the Unit Owner or Unit Owners exclusively or substantially exclusively benefiting therefrom, and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Council. The cost assessed shall be a Special Assessment, which may be collected, and the collection thereof enforced, in the same manner as an Assessment. The cost of such work shall not be assessed against an Institutional Mortgagee that acquires title to an affected Condominium Parcel as a result of owning an Institutional Mortgage upon the Condominium Parcel owned, unless such Institutional Mortgagee shall approve the alteration or improvement, and this rule shall apply whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. The share of any cost not so assessed shall be prorated to and assessed against each of the other Unit Owners responsible for such costs in proportion to the ratio that the share in the Common Elements of each such Unit bears to the total of all such shares in the Common Elements. There shall be no change in the shares and rights of Unit Owners in the Common Elements as a result of such alteration or further improvement, whether or not any particular Unit Owner contributes to the cost of such alterations or improvements.

(c) By the Unit Owner. Subject to the provisions of Subsections 15.2(a) and 15.2(b), which in all cases shall supersede and have priority over the provisions of this subsection when in conflict therewith, a Unit Owner may make such alteration or improvement to his Unit at his sole and personal cost as he may desire, provided that all work shall be done without disturbing the rights of other Unit Owners, that no alteration may cause an increase in any insurance premium to be paid by the Association and that a Unit Owner shall make no changes or alterations to any interior boundary wall, exterior wall, screening, exterior door, window, structural or load-bearing member, electrical facilities or plumbing facilities of his Unit without first obtaining the approval in writing of the Council. Unit Owners making improvements under this Subsection 15.2 may use such contractors or subcontractors as are approved by the Council, and said parties shall comply with all rules and regulations adopted by the Association. Any Unit Owner shall be liable for all damages to another Unit, the Common Elements, or other portions of the Condominium Property caused by such Unit Owner's contractors, subcontractors or employees, whether said damages are caused by negligence, accident or otherwise. All alterations and improvements must be made in compliance with all existing building codes.

15.3 Failure of Unit Owner to Repair Unit. In the event any Unit Owner fails to maintain his Unit as required in this Section 15, makes any alterations or additions without the required written consent or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In addition thereto, the Association shall have the right to enter into any Unit upon reasonable notice and during reasonable hours to inspect such Unit and make any repairs or perform any maintenance which is the responsibility of the Unit Owner and which said Unit Owner has failed to make or perform, to return said Unit to good condition and repair or to remove any unauthorized addition or alteration. All costs of such work shall be assessed to the particular Unit Owner as a Special Assessment, which may be collected, and the collection thereof enforced, in the same manner as an Assessment.

16. Amendments. Except as elsewhere provided otherwise, this Code of Regulations may be amended in the following manner:

16.1 Proposal. Any resolution for the adoption of a proposed amendment shall be proposed by a majority of the entire membership of the Council.

16.2 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the members at which a proposed amendment is to be considered.

16.3 Adoption. This Code of Regulations may be altered, amended or repealed and new provisions hereof adopted at a meeting of the members by the affirmative vote of a majority of the Unit Owners.

16.4 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Sponsor or any Institutional Mortgagee without the consent of the Sponsor and/or said Institutional Mortgagees, as the case may be. No amendment that is in conflict with the Articles or the Declaration shall be adopted.

16.5 Execution and Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment to this Code of Regulations, which certificate shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania.

17. Rules and Regulations. The Council may from time to time adopt, modify, amend or add to rules and regulations governing the details of the use and operation of the Condominium Property, including the use of the Common Elements, except that a majority of the members may overrule the Council with respect to any such rules and regulations or modifications thereof or any amendments or additions thereto. Copies of such modified, amended or additional rules and regulations shall be furnished by the Council to each Unit Owner not less than ten days prior to the effective date thereof. No rule or regulation that is in conflict with the Condominium Documents shall be adopted.

18. Compliance and Default. Each Unit Owner and the Association shall be governed by and shall comply with the terms of the Condominium Documents and the rules and regulations applicable to the Condominium Property. Failure of the Unit Owner to comply therewith shall entitle the Association or other Unit Owners to the following relief in addition to other remedies provided in the Condominium Documents and by law:

18.1 Enforcement. The Association, through the Council, is hereby empowered to enforce the Condominium Documents and all rules and regulations of the Association by such means as are provided by the laws of the Commonwealth of Pennsylvania, including the imposition of reasonable fines from time to time as set forth herein. In the event a Unit Owner fails to maintain his Unit in the manner required in the Condominium Documents and any rules and regulations of the Association, the Association, through the Council, shall have the right to assess the Unit Owner and the Unit for the sums necessary to do the work required to effect compliance and to collect, and enforce the collection of, a Special Assessment therefor as provided herein. In addition, the Association shall have the right, for itself and its employees and agents, to enter such Owner's Unit and perform the necessary work to effect compliance.

18.2 Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family, his lessees, or his or their guests, invitees, employees or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit, or of the Common Elements. The liability for such increases in insurance rates shall equal five times the first resulting increase in the annual premium rate for such insurance.

18.3 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Unit Property Act, the Condominium Documents or any rules and regulations adopted pursuant thereto, the prevailing party shall be entitled to recover the costs of the proceeding and Reasonable Attorneys' Fees as may be awarded by the court.

18.4 No Waiver of Rights. The failure of the Association or any Unit Owner (including the Sponsor) to enforce any covenant, restriction or other provision of the Unit Property Act, the Condominium Documents or any rules and regulations adopted pursuant thereto shall not constitute a waiver of the right to do so thereafter.

19. Exclusive Use. At the request of a Unit Owner or Occupant, the Association may, in the discretion of the Council, permit the exclusive use of any one or more rooms, spaces, related equipment, fixtures and personal property which are Common Elements by certain Unit Owners or Occupants and groups or clubs with which a Unit Owner or Occupant is affiliated, and for social affairs sponsored by Unit Owners or Occupants, for such periods and at such rental, if any, as the Council may deem appropriate; provided, however, that such periods of exclusive use shall not exceed ten continuous

hours and that such periods of exclusive use shall not exceed three calendar days in one calendar month. The Council may require a security deposit in such amounts and for such purposes as it may specify as a condition to agreeing to such exclusive use.

20. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

21. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Code of Regulations or the intent of any provision hereof.

The foregoing was adopted as the Code of Regulations of GATEWAY TOWERS CONDOMINIUM ASSOCIATION, INC., a nonprofit corporation, under the laws of the Commonwealth of Pennsylvania, at the first meeting of the Council on the 19th day of June, 1979.

Alexander C. Speyer, Jr.
Director
Robert S. Carey
Director
A. A. Bluestone
Director

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

The foregoing joinder was acknowledged before me this 19th day of June, 1979, by Alexander C. Speyer, Jr., Robert S. Carey and A. A. Bluestone, Directors of Gateway Towers Condominium Association, Inc., a Pennsylvania nonprofit corporation, on behalf of said corporation.

Linda Lisowski
Notary Public

My Commission Expires:

December 3, 1979

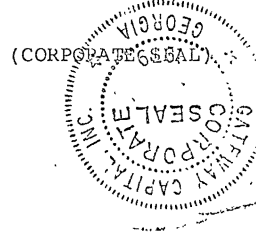


GATEWAY CAPITAL, INC., the Sponsor and initially the owner of all the Units in Condominium and the sole member of GATEWAY TOWERS CONDOMINIUM ASSOCIATION., INC., hereby joins in the execution of the foregoing Code of Regulations for the purpose of indicating its consent to and adoption thereof, including certain provisions which, pursuant to the Corporation Not-for-profit Code of the Commonwealth of Pennsylvania, can only be adopted by the members of GATEWAY TOWERS CONDOMINIUM ASSOCIATION, INC., this 19th day of June, 1979.

GATEWAY CAPITAL, INC.

By: [Signature]
President

Attest: [Signature]
Secretary

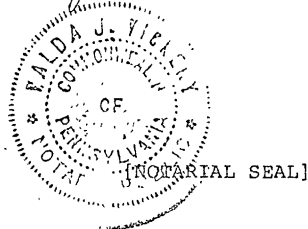


COMMONWEALTH OF PENNSYLVANIA

COUNTY OF ALLEGHENY

I HEREBY CERTIFY, that on this day personally appeared before me, an officer duly authorized to take acknowledgments, Robert S. Beuchamp and Sharon M. Brown, as President and Secretary, respectively, of Gateway Capital, Inc., a Georgia corporation, to me well known to be the persons described in and who executed the foregoing instrument and acknowledged the execution thereof to be their free act and deed as such officers and as the free act and deed of said corporation for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation.

Witness my hand and official seal this 19th day of June, 1979.



Waldo J. Yickally
Notary Public

My Commission Expires:

Oct 14, 1982

MAINTENANCE SCHEDULE

General Maintenance Responsibilities of the Association and Unit Owners

Item	Common Elements For Which Association Has Responsibility	Certain Other Elements Under Unit Owner's Responsibility Without Respect to Ownership
Grounds, including all landscape and paved areas and other improvements thereon lying outside the main walls of the Building.	All, in all respects.	
Condominium Portion of the Building, exterior roof, load-bearing walls and foundations.	All, in all respects with certain exceptions expressed elsewhere herein regarding routine cleaning.	In all regards except routine cleaning.
Door to main entry to each Unit, and decorations thereon approved by Council.	-	All, in all respects. Replacements to be of same color, grade and style and subject to the approval of the Council.
Screens and windows.	-	All, in all respects. Replacements to be of same color, grade and style and subject to the approval of the Council.
Plumbing and related systems and components thereof.	All maintenance, repair and replacement of portions of plumbing providing service to more than one Unit. Water damage to Common Elements or Units other than a Unit which is the primary source of the problem through negligence of the occupants of such Unit.	All portions, including fixtures and appliances attached thereto, providing service only to the Owner's Unit. Water damage to a Unit, when the primary source of such problem is through negligence of the occupants of that Unit.
All conduits, ducts, plumbing, wiring and other facilities for furnishing Utility Services, contained in the Common Elements or providing service to two or more Units, excluding appliances, fixtures and lights serving only one Unit.	All, in all respects.	-

EXHIBIT "A" TO CODE OF REGULATIONS

Item	Common Elements For Which Association Has Responsibility	Certain Other Elements Under Unit Owner's Responsibility Without Respect to Ownership
Appliances, lights, fixtures and furnishings serving only one Unit.	-	All, in all respects.
Heating and cooling systems and components thereof which serve only one Unit.	-	Repairs and replacements, including filters, at Unit Owner's expense.
Portions of a Unit, except finished interior surfaces, contributing to the support of the Building, including but not limited to load-bearing columns and load-bearing walls.	All, in all respects.	-

MORTGAGEE PROTECTIVE AGREEMENT

THIS MORTGAGEE PROTECTIVE AGREEMENT, establishing certain management standards, is made and executed this 19th day of June, 1979, by GATEWAY TOWERS CONDOMINIUM ASSOCIATION, INC. (hereinafter referred to as the "Association").

W I T N E S S E T H:

WHEREAS, on or about the date hereof, Gateway Capital, Inc. (hereinafter referred to as the "Sponsor") has executed or will execute the Declaration of Condominium of Gateway Towers Condominium, to be recorded in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania on or about the date hereof (hereinafter referred to as the "Declaration"), for the submission of certain property described therein to a condominium regime named Gateway Towers Condominium (hereinafter referred to as the "Condominium");

WHEREAS, on or about the date hereof, the Association and the Sponsor have jointly executed or will jointly execute the Code of Regulations of Gateway Towers Condominium (hereinafter referred to as the "Code of Regulations"); and

WHEREAS, in accordance with the Code of Regulations, the Association desires to execute this Agreement in order to increase the attractiveness of condominium units in the Condominium to prospective mortgagees as collateral for mortgage loans;

NOW, THEREFORE, the Association hereby enters into and covenants to maintain in effect and to enforce this Agreement, subject to the right to amend the same as set forth in Section 6 hereof:

SECTION 1

Definitions

1.1 Declaration Definitions. The terms used in this Agreement shall have the meaning for each stated in the Declaration and the Code of Regulations unless herein provided to the contrary, or unless the context otherwise requires.

1.2 Additional Definitions. In addition, the following terms as used in this Agreement shall have the meanings set forth below:

(a) "Financial Management" means the billing, collection and accounting activities of the Association.

(b) "Management Firm" means a business enterprise that undertakes the management of the Association or provides Financial Management, Property Management or both to the Condominium.

(c) "Property Management" means all actions, including without limitation bid invitations, contract negotiations, and personnel supervision, with respect to the operation, maintenance and repair of Common Elements.

(d) "Specified Insurance" means the insurance coverage described in Section 3 of this Agreement, as the same may be amended from time to time.

EXHIBIT "B" TO CODE OF REGULATIONS

SECTION 2

Administrative and Operating Procedures

2.1 Management Firm. The Council shall employ one or more Management Firms to perform Financial Management and Property Management on behalf of the Association, subject to the following requirements and conditions:

(a) Each such Management Firm shall supply the Association with an affirmative statement that those persons employed by such Management Firm who will meet with the Council and the Association will give advice with respect to the administrative operations of the Association involving matters of insurance, accounting, statutory requirements and similar technical matters have at least a reasonable level of knowledge and understanding of such matters sufficient to advise the Council and the Association competently. Such statement shall not be construed to impose upon a Management Firm a duty to offer or render the kind of advice that is restricted to licensed professionals such as attorneys, engineers and insurance agents, but should clearly impose upon a Management Firm the burden of providing to the Council and the Association representatives who possess a competency beyond that of an ordinary layman with respect to the various technical skills required in the routine functioning of the Association.

(b) Notwithstanding any provision contained herein to the contrary, the Council, alone, shall have the right to solicit and negotiate agreements with Management Firms and registered or licensed professionals such as certified public accountants, lawyers, engineers and similar individuals or groups.

(c) No Management Firm shall accept from vendors, independent contractors or others who provide services or goods to the Association any remuneration in the form of commissions, finder's fees, service fees or the like in consideration for being afforded an opportunity of providing such goods and services.

(d) Every Management Firm employed by the Association shall disclose to the Council the extent of any financial interest that it may have in any firm or person providing goods or services to the Association or in the activities of any such firm or person.

2.2 Financial Management Requirements. The Council shall impose the following requirements upon any Management Firm to which it awards a contract for Financial Management:

(a) The method of accounting shall be the accrual method.

(b) Not less than two people shall be involved in the handling of cash so as to effect a division of duties in order to maintain adequate financial control procedures.

(c) The cash accounts of the Association shall not be commingled with any other accounts.

(d) The Council shall be provided with monthly financial reports which must disclose at least the following:

(i) All income and disbursement activity of the Association for the preceding month; and

(ii) The status of all accounts in an actual-versus projection (by budget) format.

(e) The Council shall be provided with notice of actual or pending obligations which appear to be in excess of the amount budgeted for such obligations. The failure to provide such notice shall not be construed as negligence on the part of the Management Firm performing Financial Management; however, this provision shall impose a standard of competency upon such Management Firm which, if not met, may be deemed a just cause for contract termination.

(f) The Management Firm shall maintain accounting records for the Condominium in Allegheny County, Pennsylvania according to good accounting practices. Such records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times, and the Management Firm shall supply written summaries of them at least annually to Unit Owners or their authorized representatives. Such records shall include without limitation:

(i) A record of all receipts and expenditures of the Association for its current fiscal year; and

(ii) An account for each Unit, designating the name and current mailing address of the Unit Owner, the amount of each Assessment against such Unit, the dates and amounts in which said Assessments come due, the amount paid upon the account and the balance due.

2.3 Property Management Requirements. The Council shall impose the following requirements upon any Management Firm to which it awards a contract for Property Management:

(a) The Management Firm providing such Property Management shall have the authority to commit Association funds up to One Thousand (\$1,000.00) Dollars for any single expenditure, provided such commitment does not serve to obligate the Association for more than one year and that it is within the budget authorization therefor. All other proposed expenditures shall require prior approval by the Council.

(b) Notwithstanding any provisions contained herein to the contrary, a Management Firm providing Property Management shall, without the prior approval of the Council, have the authority to commit Association funds aggregating not more than Five Thousand (\$5,000.00) Dollars for emergency repairs immediately necessary for the preservation and safety of the Condominium Property, the Association or the Unit Owners, or to avoid the suspension of life support services, provided prompt notice of such emergency expenditure is given to the President of the Association or other officers designated by the Council.

(c) The Council shall be provided with advice and counsel with respect to the acquisition and maintenance of Specified Insurance.

(d) A Management Firm providing Property Management shall provide employee supervision and give advice to the Council on personnel matters; however, to the extent that the Association hires employees, the Council reserves the right to hire, fire and discipline all such employees and set their compensation rates and benefits.

2.4 Term of Management Contract. The term of any Management Contract with a Management Firm shall not exceed one year, although it may be renewable for successive terms not exceeding one year by agreement between the Association and such Management Firm, and it shall be terminable by the Association for cause upon thirty days' prior written notice of such termination to the Management Firm. If the Council decides to change Management Firms, then the Council shall give at least ten days' prior written notice of such decision to all Institutional Mortgagees.

SECTION 3

Insurance

3.1 Location of Policies. The Association shall retain the original of all insurance policies for Specified Insurance in a place of safekeeping such as a safe or a safety deposit box and shall provide copies of such policies to Institutional Mortgagees requesting such copies.

3.2 Notice of Change in Insurance Coverage. No change whatsoever in the Specified Insurance provisions, including changes in the amount of coverage, the risks covered, the ratio to value of coverage or endorsements or other changes in the coverage provisions, may be effected by the Association without prior written notice to the Mortgage Holder.

3.3 Qualification of Insurance Company. Each company issuing Specified Insurance must be specifically authorized by the laws of the Commonwealth of Pennsylvania to transact such business as is necessary to provide the Specified Insurance and must have at least a BBB+ financial rating in Bests' Insurance Reports. Additionally, such rating must indicate a surplus equal to at least 100% of the value of the Condominium Portion of the Building (including all of the Units and the bathroom and kitchen fixtures installed therein at the time of the sale by the Sponsor, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners or Occupants).

3.4 Named Insured. The named insured on all policies of Specified Insurance shall be the Association, and in the case of property damage insurance, the Association, as agent for all Unit Owners (without naming them) and their mortgagees (without naming them), as their interests may appear. Any property damage insurance maintained by the Association shall contain or have attached thereto a standard mortgage clause designating all holders of first mortgages on all or any part of or interest in the Condominium Property, without naming such holders.

3.5 Property Damage Insurance. The Council shall secure and maintain in effect a policy of property damage insurance providing coverage for the named insured described in Subsection 3.4 in an amount not less than the maximum insurable replacement value, excluding foundation and excavation costs, or 100% of the full insurable value, whichever is greater, all as determined annually by the Council, of the Condominium Portion of the Building (including all of the Units and the bathroom and kitchen fixtures installed therein at the time of the sale by the Sponsor, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners or Occupants), with an endorsement, if reasonably available, to include all improvements and fixtures and all personal property included in the Common Elements and installed at

the time of sale by the Sponsor. The policy shall include an "Agreed Amount Endorsement" or its equivalent, if available, or an "Inflation Guard Endorsement" and, if required by any federal governmental agency holding, purchasing or insuring any mortgage encumbering one or more Condominium Parcels, a "Demolition Endorsement", or its equivalent, allowing for coverage of the cost of demolition in the event of destruction and the decision not to rebuild, and an "Increased Cost of Construction Endorsement". Such coverage shall afford protection against:

(a) Loss or damage by fire and other hazards covered by a standard coverage endorsement and by sprinkler leakage, debris removal, vandalism, malicious mischief, windstorm and water damage; and

(b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Condominium Portion of the Building.

3.6 Public Liability Insurance. The Council shall secure and maintain in effect a comprehensive policy of general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on, about or in connection with the Common Elements and adjoining driveways and walkways, and any work, matters or things related to the Condominium Property or the Condominium Documents, with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner in such amounts as may be required by the Council, but not less than \$1,000,000.00, covering all claims for personal injury or property damage or both arising out of a single occurrence, with such coverage to include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and, if applicable, elevator collision, garagekeepers' liability, host liquor liability and such other risks as shall customarily be covered with respect to condominiums similar in construction, location and use, and with a cross-liability endorsement to cover liabilities of a Unit Owner or the Association to a Unit Owner.

3.7 Personnel Coverages. Should the Association employ personnel, all coverages required by law, including workmen's compensation, shall be obtained so as to meet the requirements of law.

3.8 Insurance Policy Provisions of Specified Insurance. All property damage insurance and public liability insurance maintained by the Association shall be subject to the following provisions:

(a) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Agreement be brought into contribution with insurance purchased by Unit Owners or their mortgagees.

(b) Specified Insurance policies shall (to the extent available) provide that coverage shall not be prejudiced by (i) any act or neglect of any Unit Owner when such act or neglect is not within the control of the Association, (ii) the failure of the Association to comply with any warranty or condition with respect to any portion of the Condominium Property over which the Association has no control, or (iii) any other condition over which the Association has no control.

(c) Specified Insurance policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least fifteen days' prior written notice to the Association and the Mortgage Holder.

(d) All Specified Insurance policies shall contain a waiver of subrogation by the insurer as to any and all claims against Unit Owners, the Association and their respective agents, employees, tenants and guests and a waiver of all defenses based upon co-insurance or upon any invalidity arising from the acts of the insured, or such policies shall otherwise permit the Association, prior to its sustaining a loss, to obtain from the insurer a release of the insurer's right to assert claims against any Unit Owners.

(e) All Specified Insurance policies providing property damage insurance shall provide that, notwithstanding any provisions thereof which give the insurer the right to make a cash settlement in lieu of the right to restore, such option shall not be exercisable without the prior written approval of the Council or the Insurance Trustee, whichever of them is entitled to receive the proceeds of the insurance, or when such election would be in conflict with any requirement of law.

(f) Each policy of Specified Insurance shall contain a statement by the insurer thereunder that such company has received a copy of this Agreement, the Declaration and the Code of Regulations, that all provisions of such policy are in conformance with the provisions of such documents and that, upon request, any Institutional Mortgagee or Unit Owner may obtain a certificate of insurance from the insurer.

3.9 Fidelity Bonds. The Council shall secure and maintain in effect adequate fidelity coverage to protect against loss of money through dishonest acts on the part of officers, Directors, employees and all others who handle or are responsible for handling funds of the Association, including but not limited to employees or professional managers. Such fidelity bonds shall meet the following requirements:

(a) Such fidelity bonds shall name the Association as an insured or obligee.

(b) Such fidelity bonds shall be written in an amount equal to at least 150% of the estimated annual Common Expenses, including reserves, unless a greater amount is required by a federal governmental agency insuring or purchasing mortgages secured by Units.

(c) Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(d) Such fidelity bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days' prior written notice to the Mortgage Holder.

3.10 Other Insurance. The Council shall secure, if available, Federal Flood Insurance in the maximum permissible amount under the Federal Flood Insurance program and hurricane insurance, as well as machinery insurance and plate glass insurance as applicable.

3.11 Notice of Claim Filings. The Council shall notify the Mortgage Holder of any claims in excess of \$5,000.00 filed against the Association.

3.12 Payment of Taxes and Premiums. Institutional Mortgagees may, jointly or singly, pay real estate taxes or other charges which are in default and which may or have become a charge against the Common Elements, pay overdue premiums on Specified Insurance policies, and secure new Specified Insurance coverage upon the lapse of any such policies. Institutional Mortgagees shall be entitled to reimbursement from the Association of any payments made in accordance with this section.

SECTION 4

Bank Accounts

4.1 Deposit of Association Funds. The Council shall establish and maintain, in one or more financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, such accounts as the Council deems necessary and desirable for the deposit of the funds of the Association.

SECTION 5

Notices

5.1 Specific Prior Notices to Institutional Mortgagees. Without giving prior notice to and receiving the written consent of at least 75% of the Institutional Mortgagees, with such percentage being calculated upon one vote for each Institutional Mortgage (or the affirmative vote of or on behalf of not less than 75% of the votes appurtenant to all Units, taken at a special meeting held pursuant to the Code of Regulations), the Association shall not:

(a) By any act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements;

(b) Change the method of determining the obligations, Assessments, dues or other charges which may be levied against Unit Owners or the Condominium Property;

(c) By any act or omission change, waive or abandon any scheme of regulations, or the enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance of the Condominium Portion of the Building or the Land;

(d) Fail to maintain Specified Insurance for fire and extended coverage on insurable portions of the Common Elements; or

(e) Use hazard insurance proceeds for losses to the Condominium Portion of the Building or any other portion of the Condominium Property for any purpose other than the repair, replacement or reconstruction thereof, unless authorized to do so by the Code of Regulations.

5.2 Additional Notices. In addition to the notices required to be given by the Association in accordance with Subsection 5.1, the Association shall provide Institutional Mortgagees with written notification as follows:

(a) Written notice at least thirty days prior to the effective date of any amendment to the Condominium Documents;

(b) Written notice of the termination of the Condominium;

(c) Written notice of any default by a Unit Owner under any obligation of such Unit Owner as established by the Condominium Documents, which default is not cured within thirty days after the same shall have occurred; provided, however, that such written notice shall be provided only to Institutional Mortgagees holding a mortgage encumbering the Unit in respect to which such default shall have occurred and not been cured with such thirty-day period;

(d) Written notice to each Institutional Mortgagee of substantial damage or destruction to the Common Elements or any significant portion thereof, or any eminent domain proceeding against the Common Elements or any portion thereof; and

(e) Written notification at least sixty days prior to the effectuation of any decision by the Association to terminate professional management and assume self-management of the affairs of the Association, the management of the Condominium or both. Any such action shall not become effective if Institutional Mortgagees holding mortgages on not less than 70% of the Units shall object in writing prior to the effective date of such amendment.

5.3 Annual Financial Statements of Association. The Association shall use its best efforts to furnish a copy of its annual financial statement and report of the Association, including a detailed statement of annual carrying charges, income collected and operating expenses, to each Institutional Mortgagee which makes a request therefor in writing to the Association. Such financial statement and report shall be furnished within ninety days following the end of each fiscal year.

5.4 Notice of Meetings. The Association shall use its best efforts to provide to each Institutional Mortgagee who makes a request therefor written notice of the call of any meeting of the Association or the Council for the purpose of considering any proposed amendment to the Condominium Documents, which notice shall state the nature of the amendment being proposed.

5.5 Inspection of Books. The Association shall permit any Institutional Mortgagee to inspect the books and records of the Association during normal business hours.

5.6 Attendance at Meetings. The Association shall permit a representative of each Institutional Mortgagee to attend all meetings of the Association, the Council and each of its subordinate bodies.

5.7 Method of Notice. Any written notice or other documents addressed to any Institutional Mortgagee relating to or required or permitted by this Agreement shall be given by first-class mail addressed to such Institutional Mortgagee at the address given to the Association by such Institutional Mortgagee. Notice by first-class mail shall be deemed to have been given and received seventy-two hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed as required above.

5.8 Preparation of Notices. The Management Firm providing Property Management shall assist the Association in preparing the notices required by this Section 5.

SECTION 6

Amendments

6.1 Method of Adoption. This Agreement may be amended only by:

(a) A majority of the entire membership of the Council approving the proposed amendment; and

(b) The Mortgage Holder approving the proposed amendment. The approval of the Mortgage Holder shall be deemed to have been given when written notice to that effect has been received by the Association or the Management Firm, or when thirty days have elapsed without a response from the Mortgage Holder following the giving of notice of the proposed amendment to the Mortgage Holder.

6.2 Notice of Amendments. Notice of such amendments shall be given to Unit Owners and such amendments shall become effective fifteen days after the later of the two approvals described in Subsection 6.1.

6.3 Special Amendments. Notwithstanding any provision contained herein to the contrary, as long as the Sponsor owns and is offering for sale any Unit, the Sponsor by its own action shall have the right to amend this Agreement solely in order to comply with the rules or requirements of any governmental or quasi-governmental body or any Institutional Mortgagee.

SECTION 7

Miscellaneous

7.1 Severability. All of the covenants, conditions, restrictions and reservations contained in this Agreement are hereby declared to be severable, and a finding by any court of competent jurisdiction that any of them or any clause or phrase thereof is void, unlawful or unenforceable shall not affect the validity or enforceability of any other covenants, conditions, restrictions or reservations or any clause or phrase thereof.

7.2 Captions. The captions introducing the text of the several sections of this Agreement are solely for convenience of reference and shall not constitute part of this Agreement or affect its meaning in any way.

7.3 Interpretation. In the event of any conflict between the provisions of this Agreement and the provisions of any of the Condominium Documents, the provisions of such other Condominium Documents shall prevail.

7.4 Reference of Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular and plural as the identity of the person, persons, entity or entities may require.

IN WITNESS WHEREOF, the Association, through its duly authorized officers, has caused this Agreement to be executed on the day and year first above written.

GATEWAY TOWERS CONDOMINIUM
ASSOCIATION, INC.

By: [Signature]
President

Attest: [Signature]
Secretary

(CORPORATE SEAL)

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF ALLEGHENY

On this day personally appeared before me, an officer duly authorized to take acknowledgments, Alexander C. Speyer, Jr. and A. A. Bluestone, as president and secretary, respectively, of Gateway Towers Condominium Association, Inc., a Pennsylvania nonprofit corporation, to me well known to be the persons described in and who executed the foregoing instrument and acknowledged the execution thereof to be their free act and deed as such officers and as the free act and deed of said corporation for the uses and purposes therein expressed; and that they affixed thereto the official seal of said corporation.

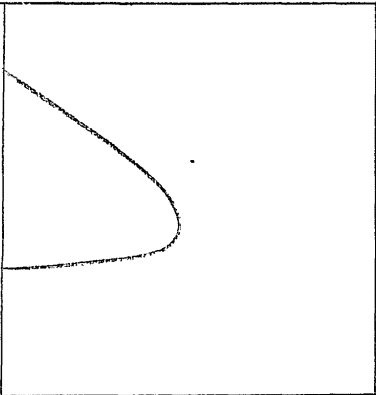
Witness my hand and official seal this 19th day of June, 1979.

[Signature]
Notary Public

My Commission Expires:

December 3, 1979

JUN 22 1979 40872


<p>Code of Regulations of Gateway Towers Condominium</p>		<p>6000</p>	<p>MAIL TO LAWYERS TITLE INS. CORP 337-4th AVE PITTSBURGH PA 15222</p>
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P. O. Nely Co., 427 Fourth Avenue, Pittsburgh, Pa. 15219

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

RECORDED IN THE OFFICE FOR THE RECORDING OF
DEEDS, ETC. IN AND FOR THE SAID COUNTY, ON THIS 22nd DAY
OF June A.D. 19 79 IN Deed
BOOK VOL. 6123 PAGE 1 WITNESS MY HAND AND SEAL
OF SAID OFFICE, THE DAY AND YEAR AFORESAID.

John J. Ellis RECORDER



6123 46