

**BY-LAWS
OF
812 CONDOMINIUM ASSOCIATION**

TABLE OF CONTENTS

ARTICLE I.	GENERAL PROVISIONS	1
Section 1.1.	Definitions	1
Section 1.2.	Administration of the Property	1
Section 1.3.	Persons Bound	1
Section 1.4.	Rules	1
ARTICLE II.	THE UNIT OWNERS	1
Section 2.1.	Membership in the Association of Unit Owners	1
Section 2.2.	Annual Meetings of the Unit Owners	2
Section 2.3.	Special Meetings of the Unit Owners	2
Section 2.4.	Notice of Meetings of the Unit Owners	2
Section 2.5.	Place of Meetings	2
Section 2.6.	Voting	3
Section 2.7.	Quorum	3
ARTICLE III.	THE EXECUTIVE BOARD	3
Section 3.1.	Number and Qualifications	3
Section 3.2.	Powers and Duties	3
Section 3.3.	First Members of the Executive Board and Their Successors	5
Section 3.4.	Election and Term of Office	5
Section 3.5.	Removal of Members of the Executive Board	6
Section 3.6.	Vacancies	6
Section 3.7.	Organization Meetings of the Executive Board	6
Section 3.8.	Meetings of the Executive Board	6
Section 3.9.	Place of Meetings	6
Section 3.10.	Waiver of Notice	7
Section 3.11.	Effect of Presence at Meetings of the Executive Board	7
Section 3.12.	Quorum	7
Section 3.13.	Action by Written Consent	7
Section 3.14.	Participation in Meetings by Communications Equipment	7
Section 3.15.	Compensation of Members of the Executive Board	7
Section 3.16.	Attendance by Unit Owners	7
ARTICLE IV.	THE OFFICERS	7
Section 4.1.	Number and Qualifications	7
Section 4.2.	Election, Term and Removal	8
Section 4.3.	Vacancies	8
Section 4.4.	Assistant Officers	8
Section 4.5.	President	8
Section 4.6.	Vice-President	8
Section 4.7.	Treasurer	8
Section 4.8.	Secretary	8
Section 4.9.	Compensation of the Officers	8
Section 4.10.	Execution of Instruments	8
ARTICLE V.	LIABILITY AND INDEMNIFICATION	9
Section 5.1.	Liabilities of Individual Unit Owners	9
ARTICLE VI.	COMMON EXPENSES AND ASSESSMENTS	9
Section 6.1.	Fiscal Year	9
Section 6.2.	Determination of Common Expenses and Limit Common Expenses	9
Section 6.3.	Assessment of Common Expenses and Limited Common Expenses to Unit Owners	9
Section 6.4.	Collection of Delinquent Assessments	10
Section 6.5.	Power to Confess Judgment to Collect Delinquent Assessments	10
Section 6.6.	Lien for Delinquent Assessments	11
Section 6.7.	Reassessment of Uncollectible Assessments	11
Section 6.8.	Working Capital Contribution	11
ARTICLE VII.	USE AND MAINTENANCE OF THE PROPERTY	11
Section 7.1.	Maintenance and Repair of the Property	11
Section 7.2.	Liability of Unit Owners for Damage Caused to Common Elements	12
Section 7.3.	Increase in Insurance Cost	12

Section 7.4. Right of Access to Units; Costs; Injunction	12
Section 7.5. Additions, Alterations or Improvements to Unit	12
Section 7.6. Maintenance, Repairs, Additions, Alterations, Replacements or Improvements to the Common Elements	13
ARTICLE VIII. INSURANCE; DAMAGE OR DESTRUCTION BY CASUALTY OR CONDEMNATION	13
Section 8.1. Insurance	13
Section 8.2. Insurance Trustee	15
Section 8.3. Repair and Reconstruction	15
ARTICLE IX. MORTGAGING, SALE AND LEASING OF UNITS	15
Section 9.1. Sale of Units	15
Section 9.2. Leasing of Units	16
Section 9.3. Notice of Sale or Lease	16
Section 9.4. Imposition of Restrictions	16
ARTICLE X. OWNERSHIP OF UNITS BY THE ASSOCIATION	16
Section 10.1. Purchase of Units by the Association	16
Section 10.2. Effect of Ownership of Units by the Association	16
ARTICLE XI. BOOKS, RECORDS AND REPORTS	16
Section 11.1. Maintenance of Books and Records	16
Section 11.2. Access to Books and Records	17
Section 11.3. Reports	17
ARTICLE XII. MISCELLANEOUS	17
Section 12.1. Utilities	17
Section 12.2. Notices	17
Section 12.3. Effective Date	17
Section 12.4. Headings	17
Section 12.5. Invalidity	17
Section 12.6. Relation to Act; Conflicts	18
Section 12.7. Noncompliance and Waiver	18
Section 12.8. Avoidance of Liens and Notices of Liens and Suits	18
ARTICLE XIII. AMENDMENTS	18
Section 13.1. Amendments to these Bylaws	18

812 CONDOMINIUM ASSOCIATION BYLAWS

The undersigned, constituting all of the members of The 812 Condominium Association, a non-profit corporation (the "Association") comprised of the owners of all units in 812 Condominium, pursuant to a Declaration of Condominium recorded or intended to be recorded in the Office for the Recording of deeds in and for Bucks County (the "Declaration"), hereby adopt the following as the Bylaws of the Association:

ARTICLE I. GENERAL PROVISIONS

Section 1.1. Definitions. All of the defined terms used herein shall, unless specifically defined herein, have the same meanings as are set forth in the Pennsylvania Uniform Condominium Act, 68 P.S., Section 3100, et seq., or the Declaration.

Section 1.2. Administration of the Property. The administration of the Property and the operation, regulation and management of the Association shall be governed by these Bylaws, as the same may from time to time be amended pursuant to the Act and the provisions hereof, which shall constitute the governing regulations for the regulation and management of the Property and the Association.

Section 1.3. Persons Bound. All present and future owners, mortgagees, lessees and occupants of the Units and of the Common Elements, and their agents and employees, and any other person or entity who or which may use the facilities of the Property, are subject to and bound by the provisions of the Declaration, the Plats and Plans, these Bylaws and the Rules in force pursuant to Section 1.4 hereof (collectively referred to herein as the "Condominium Documents"), as each of the foregoing may be amended from time to time, and of the deeds to such Units, and the acceptance of a deed, mortgage or other conveyance relating to any Unit, or the entering into of a lease relating to a Unit, or the act of such occupancy or use of such facilities of the Property, shall constitute an agreement to be subject to the Condominium Documents and to be so bound and as an acceptance and ratification of the Condominium Documents then in effect and of the provisions of any such deed to such Unit.

Section 1.4. Rules. The Executive Board may from time to time promulgate rules governing the details of the use and operation of the Property, the Common Elements and the Units. Copies thereof shall be delivered to Unit Owners as Units are sold. The Executive Board may amend such rules from time to time. Copies of any such amendments or changes shall in each such case be promptly furnished by the Executive Board to each Unit Owner. Such rules, as the same may from time to time be so amended or changed, are herein referred to as the "Rules". Without limiting the foregoing, the Executive Board shall have the power to promulgate reasonable rules governing (i) use of the parking areas and the private streets (including allocation of parking spaces herein to Unit Owners), (ii) the decoration of Limited Common Elements, and (iii) the ownership and enjoyment of pets on the Property.

ARTICLE II. UNIT OWNERS

Section 2.1. Membership in the Association of Unit Owners. The Association shall commence on the effective date of the Declaration. Every person who acquires title to a Unit shall automatically become a member of the Association and shall continue to be a member of the association at all times that he has legal title to such Unit. Membership in the Association is an incident of ownership of a Unit and may not be resigned, terminated or transferred other than by transfer of title to the Unit to which such membership is appurtenant. Transfer of title to a Unit shall automatically constitute transfer of membership in the Association, but the Association may treat the transferor Unit Owner as the member of the Association for all purposes hereunder until the Association or the Executive Board has actual notice of the execution and delivery of a deed by the transferor to the transferee.

Section 2.2. Annual Meetings of Unit Owners. Annual Meetings of Unit Owners shall be held during the regular meeting of the Executive Board in April of each year. At such annual meetings, the Unit Owners shall elect by

ballot members of the Executive Board, pursuant to and subject to the limitations of Sections 3.3 and 3.4 hereof, and may transact such other business as may properly come before the meeting.

Section 2.3 Special Meetings of the Unit Owners. Effective only after the special meeting of Unit Owners held pursuant to Section 3.4 hereof, the President shall promptly call special meetings of the Unit owners when so directed by a resolution of the Executive Board or by a petition signed by Unit Owners having Percentage Interests aggregating 20% or more, specifying in each case the purpose of such special meeting. Meetings so requested shall be held no later than thirty (30) days nor earlier than twenty (20) days after such request is received. No business shall be transacted at such special meeting other than as specified in the notice thereof.

Section 2.4. Notice of Meetings of the Unit Owners. The Secretary shall (except as provided in Section 10.2 hereof) give notice of each annual and each special meeting of the Unit Owners to the Unit Owners, in accordance with the provisions of Section 12.2 hereof, at least ten (10) and not more than thirty (30) days prior to the meeting date. The notice shall specify the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws which is to be considered at such meeting.

Section 2.5. Place of Meeting. Meetings of the Unit Owners shall be held at the Property or at such other suitable place in the vicinity of the Property convenient to the Unit Owners as may be specified by the Executive Board in the notice thereof.

Section 2.6. Voting. Subject to the provisions of this Section and except as otherwise provided in these Bylaws, each Unit Owner shall have one vote at all meetings of the Unit Owners for each Unit owned. Unit Owners may cast their votes at all meetings either in person, by proxy, or by mail ballots (if, with respect to mail ballots, they are authorized by the Executive Board and are only for votes on previously announced agenda items). Proxies may be given only to another Unit Owner, the Declarant or to the holder of a Permitted Mortgage and shall be in writing and dated, shall be delivered to the Secretary prior to the appointed time of the meeting and shall be revocable at any time only by the grantor of such proxy and only by written notice received by the Secretary or by actual notice of revocation received by the person presiding over a meeting of Unit Owners. Unless an earlier date is specified in the proxy, a proxy shall terminate automatically one year after its date. The persons or entities from time to time entitled to exercise the voting rights appurtenant to the Units shall be those shown at the time of reference on a voting list to be continuously maintained by the Secretary, which list shall be closed for each meeting at the close of business on the business day next preceding the meeting date. That list shall reflect the owners of record of each Unit, except in cases where the purchaser of a Unit exhibits to the Secretary a fully executed agreement of sale in which the right to vote pending settlement is placed in the purchaser, in which case the purchaser shall be shown as the Unit Owner entitled to vote. In cases where a partnership, corporation or association is, or more than one fiduciary or tenants-in-common, joint tenants or tenants by the entireties are the Unit Owner, such Unit Owner Co-owner of a Unit which is subject to multiple ownership is present or represented by proxy at any meeting of the Association, such co-owner or the holder of his proxy shall be entitled to cast at such meeting the vote appurtenant to such Unit. All of the votes allocated to a Unit must be voted unanimously and if the owners of a Unit or the designees of the owners of a Unit are unable to agree upon how such votes shall be cast on a particular question, such votes may not be cast and the owners of such Unit shall be deemed to be present at such meeting for the purposes of determining the presence of a quorum only, but for purposes of determining the result of the vote on such question shall not be deemed to be present or voting at the meeting. If any proposal being voted upon by the Association requires the unanimous consent of Unit Owners, all votes not voted pursuant to the preceding sentence shall be deemed to have been voted in favor of such proposal. Where a Unit is held in a fiduciary capacity, the fiduciary rather than the beneficiary shall be entitled to exercise the appurtenant voting rights. The voting list shall be kept at the Property and may be inspected during regular business hours by any Unit Owner or purchaser, and it shall be produced and kept open to like inspection throughout each meeting of the Unit Owners.

Section 2.7. Quorum. The presence at a meeting in person or by proxy of the owners of 20% in number of all Units shall constitute the presence of a quorum. If less than a quorum is present at any meeting, a majority of such Unit Owners present in person or by proxy may adjourn the meeting, in which event notice of the adjourned meeting shall be given in the manner provided in section 2.4 hereof. If a quorum is not present at such adjourned meeting, the Unit Owners present may adjourn the meeting a second time, and notice of a third meeting shall be given as aforesaid. At such third meeting or subsequent adjourned meeting, Unit Owners present, in person or by proxy, representing 10% in number of all Units, shall automatically constitute a quorum.

ARTICLE III. THE EXECUTIVE BOARD

Section 3.1. Number and Qualification. The business, operation and affairs of the Property and of the Association shall be managed on behalf of the Unit Owners by an Executive Board in compliance with and subject to the act, the Declaration and these Bylaws. The Executive Board shall consist of three (3) members, all of whom are adult individuals who are residents of Pennsylvania. All members of the Executive Boards, other than those members designated by Declarant pursuant to Section 3.3 hereof, shall be Unit Owners or partners, officers or stockholders of entities which are Unit Owners.

Section 3.2. Powers and Duties. Subject to the limitations and restrictions contained in Paragraph 3303(a) of the Act, in the Declaration or herein, the Executive Board shall on behalf of the Unit Owners have all powers and duties necessary to administer and manage the business, operation and affairs of the Property and of the Association. Such powers and duties of the Executive Board include, by way of illustration, but are not limited to the following:

- (a) the operation, maintenance, repair, improvement and replacement of the Common Elements;
- (b) the determination of the Common Expenses and Limited Common Expenses;
- (c) the assessment, collection and payment of the Common Expenses and Limited Common Expenses;
- (d) the promulgation, distribution and enforcement of the Rules;
- (e) the power to engage and dismiss employees and to appoint and dismiss agents which the Executive Board deems necessary for the management of the business, operation and affairs of the Property and of the Association, and to define their duties and fix their compensation;
- (f) the power to enter into and to perform under contracts and any amendments thereto or replacements thereof, deeds, leases and other written instruments or documents on behalf of the Association and to authorize the execution and delivery hereof by its officers or assistant officers;
- (g) the opening and maintaining of bank accounts on behalf of the Association and designating the signatures therefor;
- (h) the power to purchase, hold, sell, convey, mortgage or lease any one or more Units on behalf of the Association or its designee pursuant to the Act or these Bylaws;
- (i) the power to bring, prosecute, defend and settle litigation for and against itself, the Association and the Property, and to pay any adverse judgment entered therein, provided that it shall make no settlement which results in a liability against the Executive Board, the Association or the Property in excess of \$10,000.00 without the prior approval of a majority of Unit Owners;
- (j) the obtaining of insurance pursuant to the Act or Declaration;
- (k) the power to own, purchase, lease, hold and sell or otherwise dispose of, on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Executive Board and in the operation and management of the Property, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies;
- (l) the duty to keep adequate books and records as required by the Act or these Bylaws and to deliver to purchasers of Units (other than to those persons who purchase Units from the Declarant) the certificate required by Section 3407 of the Act, for the preparation of which certificates the Executive Board may charge a reasonable, uniform fee;

(m) the power to borrow money on the credit of the Association to obtain funds for any expenditure which may be made by the Executive Board or Association; and

(n) all powers granted to the Executive Board pursuant to Section 3303 of the act.

The Executive Board may appoint various committees composed of members of the Executive Board and/or Unit owners to make recommendations to the Executive Board with respect to the exercise of powers and duties conferred upon the Executive Board by the Act, the Declaration or these Bylaws.

From and after the special meeting of Unit Owners held pursuant to Section 3.4 hereof, the Executive Board shall employ a professional managing agent at a compensation from time to time established by the Executive Board, to perform such duties and services as the Executive Board shall authorize and direct. The Executive Board may delegate to the managing agent the powers referred to in clauses (a), (c) (excluding the right to make assessments), (e), (j), (k) and (m). The Executive Board shall enter into a written agreement with the managing agent with respect to his duties, responsibilities and compensation. Each such agreement shall (i) be for an additional term of not longer than one (1) year, (ii) be renewable by the parties for renewal terms of not longer than one (1) year each, (iii) be terminable by the Executive Board for cause (and without payment of any termination fee) upon thirty (30) days' written notice and (iv) terminable by either party without cause (and without payment of any termination fee) upon sixty (60) days' prior written notice, but any change in the managing agent or amendment to this paragraph for the purpose of allowing the Association to engage in self-management of the Property must have the consent of the holders of all Permitted Mortgages.

Section 3.3. First Members of the Executive Board and Their Successors.

(a) The members of the "First Executive Board" shall be those persons designated by the Declarant. Except as set forth in Paragraph 3.3 (b) below, the members of the First Executive Board, or their respective successors, if any, from time to time designated by Declarant shall serve until the special meeting of Unit Owners are held pursuant to Section 3.4 hereof.

(b) The President shall call a special meeting of Unit Owners to be held not later than sixty (60) days after title to 15 Units has been conveyed to persons other than declarant, at which time two of the members of the Executive Board designated by Declarant shall resign, and the Unit Owners other than Declarant shall elect two Unit Owners as members of the Executive Board, who shall serve until the special meeting of Unit Owners held pursuant to Section 3.4 hereof and which shall be held within forty-five (45) days after such vacancy occurs.

Section 3.4. Election and Term of Office. A special meeting of Unit Owners shall be called by the President of the Executive Board promptly following the earlier to occur of (i) 120 days after the date on which title to 75% of the Units have been conveyed by Declarant to persons other than Declarant or (ii) five (5) years after the effective date of these Bylaws. At such special meeting of Unit Owners, all of the members of the Executive Board appointed by Declarant shall resign and the Unit Owners (including Declarant) shall elect three (3) persons to serve on the Executive Board, who shall be elected to serve until their respective successors are elected. Elections shall be held in accordance with the election procedures set forth below. At the special meeting referred to above, the nominees receiving the three highest number of votes shall be elected to serve a two-year term and each of the next two highest vote recipients shall be elected to serve a one-year term. At each subsequent annual meeting, elections shall be held to fill the vacancies on the Executive Board caused by the current expiration of the terms of office of members of the Executive Board, and all persons so elected shall be elected for two-year terms.

The Executive Board shall appoint an Elections Committee 45 days prior to any meeting ("Election Meeting") at which an election to the Executive Board is to be held. The Election Committee shall distribute an Election Notice to all Unit Owners at least 30 days prior to the Election Meeting. The Election Notice shall contain notice of the Election Meeting, the time and place thereof, a statement of the number of seats open and the terms of office for each seat. The notice shall also provide a description of the duties of Executive Board members, an outline of the election procedures and a Petition of Candidacy.

All Unit Owners shall be invited to file a Petition of Candidacy with the Elections Committee, signed by not less than five (5) Unit Owners, at least three (3) weeks before the Election Meeting. The Election Committee shall then provide

all Unit Owners with a ballot containing the names of all bona fide candidates and a proxy/mail ballot form, at least ten (10) days prior to the Election Meeting.

The election of the Executive Board members shall be by secret ballot at the Election Meeting. Unit owners may vote in person, by proxy or by mail ballots. Unit Owners may cast, in respect to each vacancy, one vote for each Unit owned. Cumulative voting is not permitted. Nominations from the floor are not permitted. Those persons receiving the largest number of votes shall be elected. If only three (3) persons are nominated to serve on the Executive Board at the special meeting held pursuant to Section 3.4 hereof, the length of term of the persons so nominated and elected (three for two years and two for one year) shall be determined by lot.

Until the special meeting of Unit owners held pursuant to Section 3.4 hereof, the number of the members of the Executive Board shall not be changed except as aforesaid. The members of the Executive Board designated by the Declarant shall have the same rights and duties as any elected member of the Executive Board, including the right to hold office.

Section 3.5. Removal of Members of the Executive Board. At any regular or special meeting of Unit Owners, any one or more of the members of the Executive Board (other than members designated by the Declarant under Paragraph 3.3(a) hereof, who may be removed and replaced by the Declarant at any time and from time to time) may be removed with or without cause by the affirmative vote of Unit Owners (other than the Declarant) entitled to vote more than 50% of the votes allocable to Units owned by persons other than the Declarant, and a successor may then or thereafter be elected by a vote of all Unit Owners other than Declarant to fill the balance of the term of the member of the Executive Board so removed. Any member of the Executive Board whose removal has been proposed by any unit Owner shall be given an opportunity to be heard at the meeting.

Section 3.6. Vacancies. Vacancies in the Executive Board (other than vacancies occurring prior to the special meeting of Unit Owners held pursuant to Section 3.4 hereof, which shall be filled in accordance with Paragraphs 3.3(a) or (b) hereof, as applicable) caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of a majority the remaining members of the Executive Board, even though less than a quorum, promptly after the occurrence thereof, and each person so elected shall be a member of the Executive Board for the remainder of the term so filled.

Section 3.7. Organization Meeting of the Executive Board. Subject to the provisions of Section 3.3 hereof, an organization meeting of the Executive Board shall be called by the President and held within ten (10) business days following each annual meeting of the Unit Owners, at such time and place as the newly elected members of the Executive Board shall determine, for the purposes of organization, election of officers and such other business as may be brought before the meeting.

Section 3.8. Meetings of the Executive Board. Regular meetings of the Executive Board shall be called by the President, and special meetings of the Executive Board may be called by he President or by two or more members of the Executive Board, and held on notice by letter or telegram, mailed, delivered or delivered for transmission not later than three days prior to the meeting date, specifying the time, place and purposes of the meeting. No business may be transacted at a special meeting called by members of the Executive Board other than as specified in the notice thereof unless all members attend or waive notice, but at regular meetings called by the President, the Executive Board may transact all business within the authority of the Executive Board. The President shall call no fewer than three regular meetings of the Executive Board during the period between the organizational meeting of the Executive Board and the next annual meeting of the Association, unless each member of the Executive Board waives in writing the requirement to hold a particular meeting. One such meeting of the Executive Board shall be held during the month of November for the purpose of adopting a budget for the following calendar year, which meeting may not be waived by the members of the Executive Board.

Section 3.9. Place of Meetings. Meetings of the Executive Board shall be held at the Property or at such other place in the vicinity of the Property as the Executive Board may specify.

Section 3.10. Waiver of Notice. Any notice of any meeting of the Executive Board may be waived by any member thereof in writing prior to, at, or subsequent to the meeting, and attendance at the meeting shall constitute a waiver of notice thereof.

Section 3.11. Effect of Presence at Meetings of the Executive Board. Any member of the Executive Board present at any meeting thereof shall be deemed to have assented to any action taken thereat unless his dissent is entered on the minutes thereof or unless he shall file his written dissent with the Secretary at or immediately following the adjournment thereof, provided that no member may so dissent from any action for which he voted at the meeting.

Section 3.12. Quorum. A majority of the members in office shall constitute a quorum at any meeting of the Executive Board, and the act of a majority of the members at a meeting at which a quorum is present at the beginning of such meeting shall be the act of the Executive Board. If less than a quorum is present at the beginning of any meeting, a majority of those present may adjourn the meeting from time to time, and at any adjourned meeting at which a quorum is present any business may be transacted which could have been transacted at the meeting originally called, without further notice.

Section 3.13. Action by Written Consent. The members of the Executive Board may act by unanimous written consent in lieu of a meeting.

Section 3.14. Participation in Meetings by Communications Equipment. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting of the Executive Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other.

Section 3.15. Compensation of Members of the Executive Board. No member of the Executive Board shall be compensated for acting as such, unless such compensation shall be approved in advance by a Majority of Unit Owners. However, upon approval of the Executive Board, a member may be reimbursed for actual expenses in carrying out his duties.

Section 3.16. Attendance by Unit Owners. Except for the annual budget meeting referred to in Section 3.8 hereof, Unit Owners who are not members of the Executive Board shall not have the right to receive notice of or to attend meetings of the Executive Board, unless the Executive Board in its sole discretion elects to invite all Unit Owners to attend. The Secretary shall give Unit Owners notice in accordance with Section 2.4 hereof, of the annual budget meeting of the Executive Board (which notice shall be accompanied by a copy of the proposed budget) and of all other meetings to which the Executive Board elected to invite Unit Owners. At each such meeting which Unit Owners are entitled to attend, the attending Unit Owners shall have the right to speak, but not the right to vote.

ARTICLE IV. OFFICERS

Section 4.1. Number and Qualifications. The officers of the Executive Board and of the Association shall include a President, Vice President, Treasurer and Secretary, and may include such other assistant officers as the Executive Board may from time to time determine. Each of the offices of President, Vice President, Treasurer or Secretary must be held by different persons. All officers and any assistant officers shall be chosen from among the members of the Executive Board.

Section 4.2. Election, Term and Removal. The officers and any assistant officers shall be elected annually by the Executive Board at its organization meeting, and shall serve until the next following organization meeting and until their successors are elected. Any officers may be removed at any time, with or without cause, by a majority in number of the members of the Executive Board. Any officer or assistant officer who resigns or is removed from the Executive Board shall be deemed to have simultaneously resigned as an officer or assistant officer.

Section 4.3. Vacancies. Any vacancy in any office by reason of death, resignation, removal or otherwise shall be promptly filled by the Executive Board, the successor to serve the balance of the term so filled.

Section 4.4. Assistant Officers. The Executive Board may from time to time appoint one or more assistant officers who shall serve at the pleasure of the Executive Board until the next following organization meeting and until their successors are elected.

Section 4.5. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of Unit Owners and of the Executive Board at which he is present and shall have all powers and duties customarily vested in chief executive officers, including the power to execute, acknowledge and deliver instruments on behalf of the Executive Board and the Association.

Section 4.6. Vice President. The Vice President shall exercise the powers and duties of the President, in his absence or incapacity to act, and such other duties as the Executive Board or the President may impose.

Section 4.7. Treasurer. The Treasurer shall be the chief financial officer of the Association. He shall have charge and custody of the funds of the Association. The Treasurer shall keep detailed books and records of all assets, liabilities, receipts and expenditures of the Executive Board and of the Association, including without limitation expenditures affecting the Common Elements, specifying and itemizing the maintenance, repair and replacement expenses of the Common Elements and any other expenses incurred. In accordance with the actions of the Executive Board assessing the Common Expenses, and Limited Common Expenses against the appropriate Units and Unit Owners, he shall keep an accurate record of such assessments and of the payment thereof by each Unit Owner. He shall deposit the funds of the Association in its name in such depositories as the Executive Board may from time to time designate. He shall render to the Executive Board on request an accounting of all his transactions as Treasurer and of the financial condition of the Association, and in general he shall have the powers and duties customarily vested in chief financial officers. The Treasurer and any other employee or agent of the Association of Unit Owners handling its funds shall furnish a bond in accordance with the requirements of the Declaration, the cost of which bond shall be a Common Expense.

Section 4.8. Secretary. The Secretary shall be responsible for giving any requisite notice to Unit Owners and to members of the Executive Board and for keeping the minutes of all meetings of the Association and of the Executive Board. He shall maintain records containing the calls, notices, waiver of notice and minutes of all meetings of the Association and of the Executive Board, all proxies to vote at meetings of the Association and all written consents of the Executive Board, and he shall maintain the voting list required by Section 2.6 hereof, a list of all holders of Permitted Mortgages and a list of all addresses submitted for notice purposes pursuant to the Declaration or by these Bylaws. The Secretary shall be custodian of all the books and records of the Association other than those whose custody is placed herein in the Treasurer and in general shall have the powers and duties customarily vested in Secretaries.

Section 4.9. Compensation of the Officers. No officer or assistant officer of the Association shall be compensated for acting as such, unless such compensation shall be approved in advance by a Majority of Unit Owners.

Section 4.10. Execution of Instruments. No agreement, deed, lease or other instrument shall be binding upon the Association unless entered into on its behalf by the Executive Board and signed by two officers of the Association or by one officer and by one assistant officer or other person designated by the Executive Board, provided that one of the officers so signing must be either the President or Vice President, except that any certificate delivered pursuant to Section 3407 of the act may be executed on behalf of the Association by any one of the officers.

ARTICLE V. LIABILITY AND INDEMNIFICATION

Section 5.1. Liabilities of Individual Unit Owners. The Unit Owners and any lessees or sublessees of a Unit shall be jointly and severally liable for liabilities arising out of their own conduct or arising out of the ownership, occupancy, use, misuse or condition of that Unit (except when the result of a condition affecting all or other parts of the Property).

ARTICLE VI. COMMON EXPENSES AND ASSESSMENTS

Section 6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 6.2. Determination of Common Expenses, and Limited Common Expenses. Subject to the rights of 75% of all of the Unit Owners as set forth in Paragraph 3303(b) of the Act, the Executive Board shall during November of each year at the Executive Board's annual budget meeting determine, by resolution duly adopted, the estimated Common Expenses, and Limited Common Expenses, if any, for the ensuing fiscal year, which determination shall be reflected in an

appropriate budget, and the Common Expenses, and Limited Common Expenses incurred and the income, if any, known and anticipated to be received during the then-current fiscal year. A copy of each such budget shall be delivered to each Unit Owner within five (5) days after its adoption by the Executive Board. Any income received during a fiscal year (such as, but not limited to rent from Units owned by the Association) shall, of the extent not required to be used to pay any Common Expenses incurred during such fiscal year, be applied by the Executive Board during the immediately following fiscal year in order to reduce the assessments for Common Expenses required to be made during such following fiscal year. Such determinations of expenses and budgets shall include, without limitation, such amounts as the Executive Board deems proper to provide adequate working capital, a general operating reserve and reserves for replacements, casualty losses in excess of insurance coverage, litigation, uncollectible assessments, contingencies and the like. The reserve for maintenance repair and replacement of those portions of the Common Elements which require periodic replacement shall be separately maintained on the Association's books and shall be funded at least annually out of the regular assessments for Common Expenses. The Executive Board may also, by resolution duly adopted, make interim determinations of anticipated Common Expenses, and Limited Common Expenses between such regular annual determinations, to the extent it from time to time may deem necessary, and adopt revised budgets accordingly. The adoption of any such revised budget shall not require a special budget meeting of the Executive Board, but may be enacted at any regular meeting of the Executive Board.

Section 6.3. Assessment of Common Expenses, and Limited Common Expenses to Unit Owners. The Executive Board shall promptly following the adoption of each annual budget, by resolution duly adopted, assess against each Unit (in accordance with Section 10.2 of the Declaration) the share chargeable to that Declaration), by resolution duly adopted, against the Unit Owners served by Limited Common Elements. All such assessments shall be in writing and, together with a copy of the annual budget, shall be promptly given to each affected Unit Owner in the same manner as is provided in the case of giving notices pursuant to these Bylaws. The Unit Owners shall be severally and not jointly liable for the payment of such assessment, but with respect to the portion thereof so payable in respect of a given Unit, the Unit Owners and any lessees or sublessees thereof shall be jointly and severally liable therefor. Assessments, together with interest thereon at the lower of the rate of 15% per annum or the maximum legal rate permitted to be charged therefor from the date which is ten (10) days after the date on which payment is due, shall, until fully paid, constitute a charge against such Unit. In the event that any assessment shall be past due for more than forty-five (45) days, the remaining unpaid balance of such assessment plus interest as aforesaid shall, at the option of the Executive Board, become immediately due and payable in full. The Unit Owner's liability for any assessments under this Article VI shall not be abated due to either an interruption in his right of occupancy of his Unit, or any interruption in the delivery of any services to the Unit Owner or his Unit or for any other reason whatsoever, except as otherwise specifically set forth in this Article VI.

Section 6.4 Collection of Delinquent Assessments. It shall be the obligation of the Executive Board to take prompt action to collect assessments for Common Expenses and Limited Common Expenses and for any expenses incurred on advances made by the Executive Board under Sections 12.7 and 12.8 hereof, together with accrued interest as aforesaid, which remain unpaid after 30 days from the date on which they became due and payable as determined by the resolution pursuant to which they were made or from the date incurred or advanced, as the case may be. Any such delinquent assessment together with such accrued interest may be enforced by suit by the Executive Board acting on behalf of the Association in an action in assumpsit, which suit when filed shall refer to the Act, to the Unit against which the assessment is made and to the delinquent Unit Owner and shall be indexed by the prothonotary as lis pendens. Any judgment against a Unit Owner shall be enforceable in the same manner as is otherwise provided by law. The delinquent Unit Owner shall be obligated to pay (i) all expenses of the Association, including reasonable attorney's fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (ii) any amounts paid by the Association for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

Section 6.5. Power to Confess Judgment to Collect Delinquent Assessments.

AS A MEANS OF ENFORCING THE OBLIGATION OF THE UNIT OWNERS TO PAY ALL ASSESSMENTS LEVIED PURSUANT TO THE DECLARATION AND THIS CODE, THE EXECUTIVE BOARD SHALL HAVE THE RIGHT AND POWER TO OBTAIN A JUDGMENT OR JUDGMENTS FOR DELINQUENT ASSESSMENTS BY CONFESSION AGAINST THE UNIT OWNER AGAINST WHOM SUCH DELINQUENT ASSESSMENTS HAVE BEEN LEVIED. ACCORDINGLY, EACH UNIT OWNER, BY HIS ACCEPTANCE OF THE DEED TO HIS UNIT, SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE MEMBERS OF THE EXECUTIVE BOARD (DURING HIS TERM

OF OFFICE) THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS A JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF PENNSYLVANIA FOR ANY DELINQUENT ASSESSMENT OR ASSESSMENTS, FOR THE PURPOSE OF WHICH A COPY OF THIS SECTION 6.5 AND A COPY OF THE UNIT OWNER'S DEED TO HIS UNIT (BOTH VERIFIED BY THE AFFIDAVIT OF ANY MEMBER OF THE EXECUTIVE BOARD) SHALL BE SUFFICIENT WARRANT. THE AUTHORITY HEREIN GRANTED TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE AND BE EFFECTIVE AT ALL TIMES WITH RESPECT TO EACH AND EVERY DELINQUENT ASSESSMENT. SUCH AUTHORITY TO CONFESS JUDGMENT AND THE AFORESAID APPOINTMENT OF ATTORNEYS-IN-FACT, BEING FOR SECURITY, SHALL BE IRREVOCABLE.

The Executive Board shall not exercise its right to obtain a judgment by confession against any institutional lender who has acquired title to a Unit by foreclosure sale or deed in lieu of foreclosure, nor shall such right be exercised against any Unit Owner except after the Executive Board shall have given the Expenses against the Unit against which such delinquent assessments were levied, in accordance with Section 3315 of the Act, and such lien may be enforced in accordance with the provisions of said Section 3315; provided, however, that the Association shall not institute any action to foreclose upon such lien unless the Association shall first have given at least ten (10) days' written notice of its intention to do so.

Section 6.6. Liens for Delinquent Assessment. The Association shall have a lien for delinquent assessments of Common Expenses and Limited Common Expenses against the Unit against which such delinquent assessments were levied, in accordance with Section 3315 of the Act, and such lien may be enforced in accordance with the provisions of said Section 3315; provided, however, that the Association shall not institute any action to foreclose upon such lien unless the Association shall first have given at least ten (10) days' written notice of its intention to do so (including a statement of the aggregate amount of all then-delinquent assessments against the Unit) to the holder of any Permitted Mortgage encumbering such Unit or which Permitted Mortgage the Association has actual notice and the address of such holder.

Section 6.7. Reassessment of Uncollectible Assessments. In all cases where all or part of any assessments for Common Expenses, Limited Common Expenses and for any expenses of and advances by the Executive Board pursuant to Sections 12.7 and 12.8 cannot be promptly collected from the persons or entities liable therefor under these Bylaws, the Executive Board may reassess the same as a Common Expense without prejudice to its rights of collection against such persons or entities.

Section 6.8 Working Capital Contribution. Each person who purchases a Unit from the Declarant shall, at the time of the conveyance of such Unit to such purchaser, contribute a working capital for the Association the sum equal to two monthly assessments for Common Expenses at the then-current rate. Such amount shall constitute a non-refundable capital contribution to the Association, to be used to pay start-up expenses of the Association, to prepay certain expenses of a Unit on the Land (and within sixty (60) days after the first conveyance by Declarant of a Unit located on a portion of the Additional Real Estate which has been added to the Condominium), Declarant shall make to the Association the working capital contribution allocable to all Units then owned by Declarant and then unpaid.

ARTICLE VII. USE AND MAINTENANCE OF THE PROPERTY

Section 7.1. Maintenance and Repair of the Property.

(a) All maintenance of and repairs to any Unit, structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any Common Elements contained therein) and including the vestibule adjacent to any unit, shall be made by the Owner of such Unit. Heating, cooling, electrical and mechanical apparatus which serve only a single Unit (including, but not limited to, the heating, ventilating and air conditioning systems and any appliances, such as dishwashers, clothes washers and dryers, garbage disposals, refrigerator-freezers, ranges and ovens, and any other appliances located within any Unit) shall be the responsibility of the owner of that Unit from the point at which such apparatus connect with pipes, wires, conduits or other apparatus serving any other portion of the Property (even if that point of connection is the vertical boundary of the immediately adjacent Unit), which shall be considered part of the Common Elements.

(b) All maintenance (including snow removal, landscaping and groundskeeping), repairs and replacement necessary to keep the Common Elements, whether located inside or outside individual Units, in a good and orderly state of repair and cleanliness shall be made by the Executive Board and charged to all Unit Owners as a Common Expense.

(c) Each Unit Owner shall keep his Unit in a good and orderly state of repair and cleanliness, and may, subject to Article 7.5 below, alter, renovate and improve the interior of his Unit as he may choose so long as such alteration and improvement does not damage, impair or infringe upon the property or rights of any other Unit Owner. No structural change may be made to any Limited Common Element (such as, but not limited to, placing a roof over a patio or roof deck, increasing or decreasing the height of any wall which separates a Limited Common Element from any adjoining Common Element or Limited Common Element or placing any door or other opening in any such wall) without in each instance the written consent of the Executive Board having first been obtained.

(d) Notices of violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction relating to any portion of the Property shall be complied with by the Executive Board and shall be charged as a Common Expense if the notice of violation pertains to the Common Elements or any portion thereof; and if and to the extent the notice of violation relates to any particular Unit(s), or Limited Common Elements, the owner(s) of such Unit(s) or those liable for the expense of such Limited Common Elements shall be responsible for correcting the condition at his (or their) own expense.

Section 7.2 Liability of Unit Owners for Damage Caused to Common Elements. Each Unit Owner shall be liable to the Association for all damage to any of the Common Elements whether within or without his Unit, and to any fixtures or personal property contained within the Common Elements, caused by the act, omission or negligence of the Unit Owner, his family, guests, domestic employees, pets, lessees or occupants of his Unit, to the extent not covered by the proceeds of any insurance carried by the Association.

Section 7.3. Increase in Insurance Cost. No Unit Owner shall use or permit the use of his Unit or of the Common Elements so as to cause an increase in the rate of insurance held by the Association on the Property, and each Unit Owner shall be liable to the Association for any such increase in respect of the Property, to the extent, occasioned by the use, misuse, occupancy or abandonment of his Unit.

Section 7.4. Right of Access to Units; Cost; Injunction. The Executive Board shall have a right of access to each Unit to (i) inspect the Unit; (ii) remove, correct or abate violations of the Act, the Condominium Documents or of law, or of any rules, regulations, orders decrees or requirements of any governmental or quasi-governmental body or agency or board of fire underwriters; (iii) make repairs to the Unit if such repairs are reasonably necessary for public safety or to prevent damage to other Units or to the Common Elements; and (iv) maintain, repair or replace the Common Elements contained therein or elsewhere on the Property to which access can be had therefrom. The costs of removing correcting or abating any such violations, of making any such repairs to Units, and the costs of the Association in enforcing its rights hereunder (including reasonable counsel fees) shall be paid by the Unit Owner to the Association on demand. Requests for access shall be made in advance, except in cases of emergency when such rights of access shall be immediate, whether the Unit Owner is present or not.

Section 7.5. Additions, Alterations or Improvements to Units. No Unit Owner shall make or permit any addition, alteration or improvement in or to his Unit which would adversely affect the structural integrity of the Property or of any part thereof. No Unit Owner shall make or permit any other structural change, addition, alteration or improvement in or to his Unit without the prior written consent of the Executive Board, and if such change so consented to would result in rendering inaccurate the description of that Unit or Limited Common Element on the Plan, it shall not be undertaken until the Plan has been duly amended. All costs in connection with the preparation and recording of such amendments (which shall be done by counsel acceptable to the Executive Board) shall be borne by the Unit Owner requesting such consent. Requests for consent of the Executive Board as aforesaid shall be sent by certified mail, return receipt requested, accompanied by detailed plans and specifications showing the proposed addition, alteration or improvement, and shall name the contractors and subcontractors to be employed. The Executive Board shall act upon a request for such consent within 10 days after its receipt thereof, and shall be deemed to have acted favorably in cases where no response is made within that period. Any application to any governmental authority for a necessary permit in connection with the proposed addition, alteration or improvement shall be made only by the Executive Board as agent for and at the expense of the Unit Owner, without incurring any liability

thereunder to such authority or to any contractor, subcontractor or materialman or to any person having any claim for injury to person or damage to property arising therefrom.

Section 7.6. Maintenance, Repairs, Additions, Alteration, Replacements or Improvements to the Common Elements. Except as otherwise provided in these Bylaws, the Executive Board may, pursuant to resolution duly adopted and subject to where the cost of any single item of addition, alteration, improvement or non-essential maintenance or repair is estimated by the Executive Board to exceed \$5,000.00, it shall have received the prior approval by resolution duly adopted at any meeting of Unit Owners. If such item of addition, alteration, improvement or non-essential maintenance or repair, if made, would be the basis for a Limited Common Expense, only those Unit Owners who would be subject to assessment for such Limited Common Expense shall have the right to vote on the resolution for approval, and Unit Owners not so subject shall, for purposes of ascertaining such approval, be deemed to be present at the meeting at which such resolution is considered for purposes of obtaining the necessary quorum, but not for purposes of determining the number of votes required to approve such resolution.

ARTICLE VIII. INSURANCE; DAMAGE OR DESTRUCTION BY CASUALTY OR CONDEMNATION

SECTION 8.1. Insurance. The Executive Board shall be required to obtain and maintain on behalf of the Association (to the extent obtainable) the following insurance:

(a) "All-risks" casualty insurance in the form generally provided in the area of Philadelphia, Pennsylvania, for similar properties, insuring the entire Property as conveyed to the Unit Owners, and as described in the Declaration of Condominium Ownership for Hickory Ridge, A Condominium, in the section Unit Boundaries, common elements, and excluding furniture and other personal property installed or purchased as "builder's extras" by Unit Owners, and covering the interest of the Executive Board, the Unit Owners, the holders of permitted mortgages, and each person who has entered into a binding agreement to purchase a Unit, as their respective interest may appear, in an amount equal to the full replacement value of buildings without deduction for depreciation (the "replacement value") and with an "agreed amount" endorsement; such insurance shall cover, among other things, additional living expenses of the Unit Owners during any reconstruction period, in such amounts as the Executive Board may deem reasonable. Each such policy shall be in the name of the Association, for the use and benefit of the Unit Owners. Each policy shall contain a standard mortgagee clause in favor of each holder of a Permitted Mortgage which shall provide that the loss, if any, shall be paid to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Association and the Insurance Trustee (as defined below), as hereinafter more fully set forth. Each such policy of insurance shall contain a "deductible" provision in an amount determined by the Executive Board, but in any event not greater than \$1,000.00.

(b) Workmen's compensation insurance to the extent required by law, covering persons employed by the Association.

(c) Flood and water damage insurance, if at any time required, covering the Common Elements. The Executive Board shall continually assure that the Property will be and remain eligible for such insurance coverage for the Common Elements, and for individual personalty of the Unit Owners not otherwise covered by this insurance maintained by the Executive Board. Each Unit Owner shall, if he desires flood insurance for any personal property, be required to take out and maintain his own flood insurance with respect thereto, at his own expense.

(d) Comprehensive Public liability insurance, including medical payments insurance, with such limits as the Executive Board may from time to time determine, but not less than \$500,000. for death or injury to any one person, \$1,000,000. for deaths or injuries in any single occurrence, and \$100,000. for property damage in any single occurrence, covering each member of the Executive Board, the managing agent and other persons employed by the Executive Board or the Association, if any, the Association and each Unit Owner, his family, tenants, agents or servants.

(e) Fidelity coverage against dishonest acts on the part of any person (including, without limitation, members of the Executive Board, officers, assistant officers, agents, employees and volunteers), responsible for handling funds belonging to or administered by the Executive Board or Association. Such insurance or fidelity bond shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than on and one-half (1-1/2) times the Association's estimated annual operating expenses and reserves. In connection with

such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(f) Policies of Executive Board Member and Officer's Liability

(g) Such other insurance as the Executive Board may in the exercise of reasonable business judgment determine to be necessary, including, without limitation, insurance to provide funds to enable the Association and the Unit Owners to pay any amounts required to satisfy the indemnification obligations of the Association and Unit Owners pursuant to Section 5.1 hereof.

No Unit Owner shall be permitted to participate in the adjustment of any loss, other than through the Association. The Executive Board may, at its sole option employ a public insurance adjuster, licensed in Pennsylvania and doing business in the Metropolitan Philadelphia area if the Executive Board determines that the employment of such an adjuster (either as a consultant to the Executive Board or as the Association's authorized representative) is likely to increase the net proceeds of insurance collected by the Association after deduction of the adjuster's fee, which fee shall be a Common Expense. All proceeds of property insurance shall be payable to the Insurance Trustee.

At least once every three (3) years (and at more frequent intervals if the Executive Board deems it to be sound financial practice), the Executive Board shall cause an appraisal to be made by the Association's current or proposed casualty insurance company (or by an appraiser satisfactory to such insurance carrier) to ascertain the Replacement Value, unless the policy of insurance carried pursuant to Paragraph 8.1(a) above guarantees payment of actual replacement cost; the cost, if any, of such appraisals shall be a Common Expense.

All policies of physical damage insurance shall, if available, contain the provisions required by Paragraph 3312(c) of the Act and shall provide that such policies may not be substantially modified without at least 30 days' prior written notice to all of the insureds (including the holders of Permitted Mortgages). Duplicate originals of all policies of physical damage insurance and of all renewals thereof shall be delivered to the Executive Board and the Insurance Trustee, and duplicate originals of certificates or memoranda thereof, together with proof of payment of premiums, shall be delivered to all holders of Permitted Mortgages, at least 10 days prior to expiration of the then current policies.

Liability insurance shall include a "severability of interests" endorsement precluding the insurer from denying the claim of a Unit Owner because of the negligent act of the Executive Board, The Association, any agent or employee of the Executive Board or the Association, or any other Unit Owner. The Executive Board shall review the limits of liability insurance at least once each year, and the Executive Board may at any time and from time to time increase the limits of liability thereunder if it determines, in the exercise of reasonable business judgment, that such increase is necessary.

All insurance policies maintained by the Association shall be written with companies licensed to do business in Pennsylvania and having a rating of "AAA" or better in the most recent Best's Insurance Reports at the time such policies are written, or by a similar insurance rating service if Best's Insurance Reports is no longer published.

Nothing contained herein shall prohibit any Unit Owner from carrying such other insurance for his own benefit as he may desire, provided that all such policies shall be issued by companies authorized to do business in Pennsylvania and shall contain waivers of subrogation, and provided further that the liability of insurers issuing insurance obtained by the Executive Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Copies of all such insurance policies, other than those insuring only the personal property of a Unit Owner or against liability within his Unit, shall be submitted to the Executive Board for determination of the foregoing within 30 days after the same or any amendatory endorsement thereto has been received BY EACH Unit Owner.

Section 8.2 Insurance Trustee. The Association shall enter into and at all times be party to an agreement (the "Insurance Trust Agreement") with an insurance trustee (the "Insurance Trustee") concerning the receipt and application of the proceeds of policies of property insurance maintained by the Association. The Insurance Trustee shall be a bank, savings bank, savings and loan association, building and loan association, or similar financial institution, whose activities provide that all proceeds of insurance paid to the Insurance Trustee shall be held and applied by the Insurance Trustee in accordance with the provisions of the Act and of these Bylaws. All fees payable to the Insurance Trustee pursuant

to the Insurance Trust Agreement shall be Common Expenses. Each Unit Owner, by his acceptance of a deed to a Unit, appoints the Association and Insurance Trustee as attorney-in-fact for the purpose of maintaining casualty insurance, collecting and distributing proceeds thereof, negotiating claims, and executing releases of liability and all other documents necessary to accomplish any such purpose.

Section 8.3. Repair and Reconstruction. In the event of the occurrence of any damage to or destruction of the Building or of the Common Elements such damage or destruction shall be repaired, and the proceeds of insurance shall be applied, in accordance with and subject to the provisions of the Act.

The Executive Board shall give prompt written notice to all holders of Permitted Mortgages upon the occurrence of substantially total destruction of the Property.

ARTICLE IX. Mortgaging, Sale and Leasing of Units.

Section 9.1. Sale of Units. There shall be no restriction on sale, conveyance or other transfer of any Unit, but any sale, conveyance or other transfer (including, without limitation, mortgages and leases to the extent permissible) shall be subject to the Act, the Condominium Documents and the provisions of the deed to the Unit.

Section 9.2. Leasing of Units. Except for Units owned by Declarant, no Unit may be leased for an original term of less than six (6) months, no lease shall be for less than the entire Unit, and no transient tenants may be accommodated in any Unit. There are no restrictions on leases by Declarant.

Section 9.3. Notice of Sale or Lease. In the event of any sale, conveyance, transfer or lease of a Unit as are permitted by Sections 9.1 and 9.2, the Unit Owner must give ten days prior written notice thereof to the Executive Board or its designee.

Section 9.4. Imposition of Restrictions. Sections 9.1 and 9.2 hereof may not be amended so as to impose any more onerous restrictions on sale or leasing without an affirmative vote of 90% in number of the Unit Owners, notwithstanding any contrary, more lenient provisions of the Act, the Declaration and/or these Bylaws.

ARTICLE X. OWNERSHIP OF UNITS BY THE ASSOCIATION.

Section 10.1. Purchase of Units by the Association. Except as otherwise stated herein, the Executive Board may, on behalf of the Association, in its own name or the name of its designee, purchase or otherwise acquire and hold title to any Unit or any interest therein only as a result of enforcement of its lien for assessments or as a result of execution upon judgment obtained in order to collect a delinquent assessment. The Association may borrow all or part of the funds necessary to effect any such purchase and may create a mortgage against the Unit to secure the borrowing. So long as the Association is the owner of any Unit so purchased it shall, in its own name or in the name of its nominee, have the power to hold, sell, convey, lease, mortgage as aforesaid and otherwise deal in and with the Unit, and in so doing it shall be acting on behalf of all other Unit Owners in accordance with their respective Percentage Interests as adjusted pursuant to Section 10.2 hereof. At no time may the Association in its own name or through its designees, hold title to more than three (3) Units unless the acquisition of each Unit in excess of three (3) shall have been approved by a Majority of Unit Owners.

Section 10.2. Effect of Ownership of Units by the Association. During the period when the association has legal or beneficial title to a Unit: (i) the Percentage Interest of that Unit shall be deemed to be zero and the Percentage Interests of all other Units shall be deemed to be automatically adjusted to the nearest ten-thousandth of one percent, so as to allocate the Percentage Interest of that Unit among all other Units in equal proportions, and to produce adjusted Percentage Interests for all other Units totaling 100.00%; (ii) all assessments selling, conveying, mortgaging, leasing or otherwise dealing with the Unit shall constitute Common Expenses to be assessed against all other Unit Owners in accordance with such adjusted Percentage Interests; (iii) the voting rights appurtenant to the Unit shall be suspended and may not be exercised or counted for quorum purposes; (iv) no notice of any meetings of Unit Owners or of the Executive Board or notices of assessments, budgets or the like need be given in respect of that Unit; and (v) the rights and obligations of Unit Owners in the event of a termination pursuant to the Declaration shall be construed, allocated and borne as if such Unit were not included in the Property and in accordance with such adjusted Percentage Interest.

ARTICLE XI. BOOKS, RECORDS AND REPORTS

Section 11.1. Maintenance of Books and Records. The Executive Board shall maintain or cause the proper officer or managing agent to maintain complete, accurate and current books and records adequate to reflect fully the operations, proceedings and financial condition of the Executive Board and the Association and the operation and condition of the Property. Such books and records shall include without limitation the books and records to be maintained by the Treasurer under Section 4.7 and the Secretary under Section 4.8 hereof and the voting list and register of Permitted Mortgages to be maintained by the Secretary under Section 2.6 hereof and Section 13.1 of the Declaration.

Section 11.2. Access to Books and Records. Such books and records shall be kept at the Property or at such other location as the Executive Board may from time to time determine and shall, after reasonable written notice, be available for examination during regular business hours by the Unit Owners, by persons who have entered into binding written agreements to purchase Units, and by the holders of Permitted Mortgages.

Section 11.3. Reports. The Executive Board shall, within 120 days after the end of each fiscal year, provide each Unit Owner and the holder of each Permitted Mortgage with a report of receipts and disbursements of the Association for the year then ended, prepared from the books and records by an independent accounting firm. The annual reports contain additional information and financial data and the Executive Board may provide special or periodic unaudited interim reports.

ARTICLE XII. MISCELLANEOUS

Section 12.1. Utilities. If and to the extent any utility, such as (but not limited to) electricity, gas, water and sewer service, at any time is not individually metered to each Unit, the Association shall purchase such utilities and charge the cost thereof to the Unit Owners as a Common Expense; provided the Association shall charge the Unit Owners at the same rate at which the Association purchases such service from the utility company or the municipal or public authority, as the case may be.

Section 12.2. Notices. All notices hereunder shall be sent by first class mail, postage paid, addressed as follows: (i) to the Executive Board, at the Property or at such other address (including, without limitation, the address of any managing agent) as the Executive Board may from time to time designate by written notice to all Unit Owners and holders of Permitted Mortgages; (ii) to the Association, in care of the Executive Board at its address as specified in clause (i) above; (iii) to the Unit Owners, at their respective addresses within the Property, or at such other addresses as they may from time to time designate by written notice to the Executive Board; and (iv) to the holders of Permitted Mortgages, at their addresses on the register to be maintained pursuant to Section 13.1 of the Declaration, or at such other addresses as they may from time to time designate by written notice to the Executive Board. All notices of meetings of the Association or of the Executive Board which may or are required to be given to Unit Owners may also be hand delivered to all or any Unit Owner. All notices of change of addresses shall be deemed to have been given when received.

Section 12.3. Effective Date. These Bylaws shall become effective when the Declaration and the Plats and Plans have been duly entered of record in the Office for the Recording of Deeds in and for Bucks County.

Section 12.4. Headings. The headings herein are for reference purposes only and shall not affect the meaning or interpretation of these Bylaws.

Section 12.5. Invalidity. If any of these Bylaws are determined to be invalid, the determination shall not affect the validity or effect of the remaining provisions hereof of the Declaration, Plats, Plans or Rules, all of which shall continue in effect as if such invalid provisions had not been included herein.

Section 12.6. Relation to Act; Conflicts. These Bylaws shall be construed in accordance with the provisions of the Act. The Act and the Declaration shall control in the case of any conflict between the provisions thereof and the provisions of these Bylaws. The Act, the Declaration and these Bylaws shall control in the case of any conflict between the provisions thereof and the provisions of the Rules.

Section 12.7. Noncompliance and Waiver. Failure or any threatened failure to comply with these Bylaws, with the Rules, with the covenants, conditions and restrictions set forth in the Declaration or in the deed to each Unit or in the Plats and Plans, shall be grounds for an action for the recovery of damages (including the costs of the Executive Board's taking any action necessary to correct or remedy any such failure, including reasonable counsel fees) or for injunctive relief, or both, maintainable by any member of the Executive Board on behalf of the Executive Board or the Association, or, in a proper case, by an aggrieved Unit Owner or by the holder of a Permitted Mortgage aggrieved by any such noncompliance. The Executive Board shall have the right to do any work and take any steps necessary to correct or prevent any failure or threatened failure to so comply, with the right by itself or its agents or employees to enter any Unit at all reasonable times to do so; the expenses thereof, and of any action undertaken by the Executive Board pursuant to Section 7.5 hereof, in each case together with interest at the lesser of 12% per annum or the legal rate then allowed, shall be promptly assessed by the Executive Board against the Unit Owner and shall be collectible and enforceable in accordance with the provisions of Article VI hereof. No restriction, condition, obligation or provision contained in this Act, any Condominium Document or in the deed to any Unit shall be deemed to have been abrogated or waived by reason of any failure, single or repeated, to enforce the same. .

Section 12.8. Avoidance of Liens and Notices of Liens and Suits. Each Unit Owner shall pay all municipal charges, claims, taxes or assessments against his Unit for which a lien could be filed before they shall become delinquent and prior to the time when any lien could attach, and shall, within five (5) days of receipt of notice or of actual knowledge of the attaching of any lien (other than the lien of a Permitted Mortgage notice of which shall be given in accordance with Section 13.1 of the Declaration) or the filing of any suit or other proceeding against his Unit, give the Executive Board written notice thereof. The Executive Board may, but shall not be obligated to, advance any sums necessary to prevent the attaching of any lien against any Unit, except the lien of a Permitted Mortgage, and any amounts so advanced shall bear interest at the lesser of 15% per annum or the legal rate then allowed from the date made and shall be promptly assessed by the Executive Board against the Unit Owner and shall be collectible and enforceable in accordance with the provisions of Article VI hereof.

ARTICLE XIII. AMENDMENTS

Section 13.1. Amendments to these Bylaws. These Bylaws may be amended from time to time by resolution duly adopted at any meeting of Unit Owners, by the affirmative vote of 66.667% of the total number of votes eligible to be cast by all Unit Owners, provided that Declarant shall have first consented in writing in the case of any amendment which would affect the rights of Declarant to designate members of the Executive Board pursuant to Article III hereof, to combine or subdivide Units owned by Declarant during the period that Declarant is the owner of any one or more Units not theretofore sold by Declarant to others, or to exercise any Special Declarant Rights, or would otherwise have a material effect upon any of the rights, powers, privileges or options afforded the Declarant hereby. Notices of any proposed material amendment to these Bylaws shall be delivered to all holders of Permitted Mortgages and copies of each amendment to these Bylaws shall be delivered to all holders of Permitted Mortgages at least thirty (30) days prior to the effective date thereof. The approval of the holders of Permitted Mortgages on at least 51% of the Units must be obtained prior to the adoption of any amendment that adds or amends any material provision of these Bylaws. Any such holder who does not, within thirty (30) days after receipt of a copy of any proposed amendment, deliver or post to the Association its disapproval thereof shall be deemed to have approved the proposed amendment. Each such amendment shall be effective upon the obtaining of all necessary approvals, as aforesaid.

If the Executive Board, in the exercise of reasonable judgment, determines that it is necessary to amend or supplement any provision of these Bylaws which is ambiguous, defective or in conflict with the provisions of the Act, the Declaration or any other provision hereof, or that such amendment or a change is required in order that these Bylaws will satisfy the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association with respect to condominium projects, then the Executive Board may, at any time and from time to time effect appropriate curative amendments without the approval of the Unit Owners or the holder of any lien affecting any portion of the Property, provided that the Executive Board shall have first received an opinion from the Association's independent legal counsel that the proposed amendment is permitted by the terms of this sentence.

CONSENT

The undersigned _____ the holder of the mortgage
encumbering the land and improvements constructed thereon which is subject to the foregoing Bylaws, and which mortgage is
referred to therein, consents to the adoption of said Bylaws.

By: _____

(Corporate Seal)

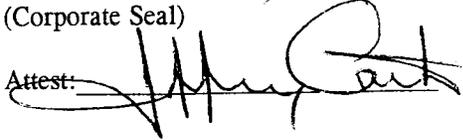
Attest: _____

CONSENT

The undersigned, *First National Bank of New York*, the holder of the mortgage encumbering the land and improvements constructed thereon which is subject to the foregoing Bylaws, and which mortgage is referred to therein, consents to the adoption of said Bylaws.

By: 

(Corporate Seal)

Attest: 

ESTABLISHED AND ADOPTED by the undersigned, being the Declarant (the sole member of 812 Condominium) and all of the members of the First Executive Board, this ^{Revised 1997} 10 day of November, 1996.
By Declarant: 812 CONDOMINIUM ASSOCIATION

By:

By: [Signature]
President

(Corporate Seal) Attest: [Signature]
Secretary

By the First Executive Board:

Witness:

[Signature]

[Signature]
[Signature]

