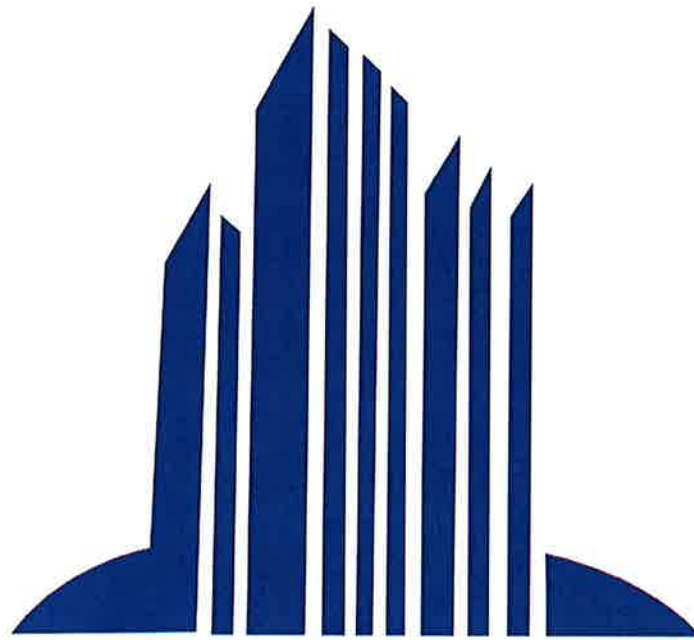


VALLEY FORGE
Towers

COMMUNITY
ASSOCIATION

DOCUMENTS & RULES



VALLEY FORGE
Towers

**Amended & Restated
Declaration
& By-Laws for the
Valley Forge Towers
Community Association**

AMENDED AND RESTATED
DECLARATION

VALLEY FORGE TOWERS COMMUNITY ASSOCIATION

THIS AMENDED AND RESTATED DECLARATION is made on this 30th day of March, 1994, by VALLEY FORGE TOWERS COMMUNITY ASSOCIATION, (hereinafter referred to as "Association").

W I T N E S S E T H:

ARTICLE I

PROPERTY: DEFINED TERMS

Section 1.1 Purpose: Submission of Property:

This Amended and Restated Declaration is made for the purpose of submitting to the provisions of this Declaration, certain real property located in the Township of Upper Merion, Pennsylvania, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind now erected or to be erected thereon (the "Property"), said Property constituting the Valley Forge Towers Community (the "Community"), and more specifically described in the "Initial Declaration" as that term is defined below. This Declaration shall amend the Declaration of Community Restrictions, Covenants and Conditions dated March 14, 1974 and recorded in the Office of the Recorder of Deeds of Montgomery County in Deed Book 3933, page 328 (the "Initial Declaration").

Section 1.2 Easements and Licenses:

The Property is submitted under and subject to the matters of record listed in the Initial Declaration to the extent that such matters continue to affect the Property, the Association expressly disclaiming any intent to revive or extend any such matters which do not presently affect the Property. This Declaration shall not alter or in any way limit the powers exercised by the Association pursuant to the Initial Declaration. The Community shall be deemed to operate as a master association in conjunction with the Valley Forge Towers South Condominium, the Valley Forge Tower West Condominium, (pursuant to the respective Condominium Declarations recorded in the Office of the Recorder of Deeds of Montgomery County, Norristown, Pennsylvania) and the Valley Forge North Tower apartments in accordance with the provisions of Section 3222 of the Uniform Condominium Act, 68 Pa. C.S. Section 3101 et seq. as amended (the "Act"). The Association shall have the powers of a unit owners' association as defined in Sections 3301 and 3302 of the Act, except as limited by this Declaration.

The Community is also subject to the Declaration of Mall Restrictions, Covenants and Conditions recorded in the Office of the Recorder of Deeds of Montgomery County, Norristown, Pennsylvania in Deed Book 3933, Page 419 and shall enjoy all rights, easements, privileges and powers not inconsistent therewith as are or are intended to be reserved in and pursuant to the Declaration of Mall Restrictions, Covenants and Conditions.

Section 1.3 Defined Terms:

Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.

1.3.1 The following terms used or defined in general terms in the Act shall have the specific meaning herein as follows:

(a) "Assessments" means the pro-rata share of the anticipated Common Expenses for each fiscal year as reflected in the budget adopted by the Board for such year.

(b) "Association" means the Association of the Community and shall be known as "VALLEY FORGE TOWERS COMMUNITY ASSOCIATION."

(c) "Board" means the Board of the Association.

(c) "By-Laws" means the document having that name and providing for the governance of the Association, as such document may be amended from time to time.

(d) "Building" means the structure comprising the Valley Forge Towers South Condominium, the Valley Forge Towers West Condominium or the Valley Forge Towers North apartments together with the garage units appurtenant thereto.

(e) "Common Area" means all portions of the Property other than the Buildings.

(f) "Common Expenses" shall mean the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Area, including those costs not paid by the Unit Owner responsible for payment; cost of compensation paid by the Association to accountants, attorneys, manager and other employees; the cost of all landscaping, snow plowing and other services benefiting the Common Area; the cost of maintaining the Recreation Facilities of the Community; the cost of fire, casualty and liability insurance, workmen's compensation insurance, and other insurance covering the Property or the officers and directors of the Association; the cost of trash removal; the cost of bonding the members of the Board of Directors; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Property, or portions thereof; and the cost of any other item or items designated by, or in accordance with any other expenses incurred by the Association

for any reason whatsoever in connection with the Property for the benefit of all of the Unit Owners.

(g) "Declaration" means this document, as the same may be amended from time to time.

(h) "Permitted Mortgage" means a mortgage to (i) the seller of a Unit; (ii) a bank, trust company, savings bank, savings and loan association, mortgage service company, insurance company, credit union, pension fund, real estate investment trust or like institutional investor or lender and (iii) any other mortgagee approved by two or more members of the Board. A holder of a Permitted Mortgage is referred to herein as a "Permitted Mortgagee".

(i) "Plan" means the Valley Forge Towers Community General Plan of Development for the development of three (3) phases of the Community as recorded in the Office of the Recorder of Deeds of Montgomery County.

(j) "Property" is defined in Section 1.1 above.

(k) "Recreation Facilities" means the swimming pool, adjoining clubhouse building and tennis courts as designated on the Plans.

(l) "Rules and Regulations" means such rules and regulations as are promulgated by the Board from time to time, with respect to various details of the use of all or any portion of the Premises, either supplementing or elaborating upon the provisions in the Declaration or by the By-Laws.

(m) "Special Assessment" means a Unit's individual share of any assessment made by the Board in addition to the Assessment.

(n) "Tower Council" means a governing body of a Tower Condominium Association established by the Unit Owners of the Buildings, previously referred to as the Project Governing Body in the Initial Declaration.

(o) "Tower Association" means any association, incorporated or unincorporated, established by the Unit Owners of the Buildings for the purpose of maintaining the Common Elements within the Buildings and establishing rules and regulations to be observed within the Buildings.

(p) "Unit" means and includes any portion of the Buildings designed and intended for use and occupancy by its Owner or Tenant to the exclusion of other parties (other than any parking area or unit). A "Residence Unit" shall be deemed to exist if such

Unit is designed and intended for use and occupancy by its Owner or Tenant as a single family residence.

(q) "Unit Owner" means the person or persons whose estate or interest, individually or collectively, aggregate fee simple ownership of a Unit. In case of joint ownership of a Unit, the term "Unit Owner" shall refer to all such joint owners collectively, and the obligations of a Unit Owner hereunder or under the Act shall, with respect to such Unit, be joint and several among such joint owners.

ARTICLE II

ASSOCIATION MEMBERSHIP

Section 2.1 Formation: The Association is a non-profit membership corporation charged with the duties and empowered with the rights set forth herein. Its affairs shall be governed by this Declaration and the By-Laws.

Section 2.2 Basis for Membership: Each Unit Owner by virtue of being a Unit Owner and for the term of such ownership, shall be a member of the Association and there shall be no other qualification for membership, although the privileges of voting and other membership rights may be suspended for failure to pay Common Expense assessments as set forth in Article VI below.

Section 2.3 Membership Rights of Owners: The voting rights of each Unit Owner shall be subject to the following exceptions and conditions:

A. If any Unit Owner owns more than one Unit, such member, subject to the provisions of this Section, shall be entitled to one vote for each such Unit;

B. When any such Unit is owned by more than one member as tenants by the entireties, or in joint tenancy or tenancy in common or any other manner of joint or common ownership or interest, such members shall collectively be entitled to only one vote relative to such Unit, and if such member cannot jointly agree as to how that vote should be cast, no vote shall be allowed with respect to such Unit;

C. Any member who is in violation of this Declaration, as determined by the Board, shall not be entitled to vote during any period in which such violation continues. Any member who fails to pay any Common Expense Assessment or any Special Assessment established by the Association shall not be entitled to vote during any period in which any such Common Expense Assessment or Special Assessments are due and unpaid;

D. The Board may make such regulations, consistent with the terms of this Declaration and the By-Laws as it deems advisable for any meeting of members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of members for voting purposes, and such other matters concerning the conduct of meetings and voting as it shall deem fit.

ARTICLE III

DESCRIPTION OF COMMON AREA

Section 3.1 The Common Area shall mean and include:

3.1.1 All areas specifically noted on Plan, including, but not limited to, all parking areas, grass areas, sidewalks, driveways, the Recreation Facilities and any fence around the Property as indicated on the Plan.

3.1.2 All other apparatus and installations existing for common use.

3.1.3 All parts of the Property which are not improved.

3.1.4 In the event any Tower Council shall determine (with the permission of the Board as set forth in Article V below) to construct facilities for the use of the Unit Owners which are members of the Condominium governed by such Tower Council, such facilities shall be deemed Common Elements which shall be maintained by the Tower Council authorizing the construction of such facilities.

ARTICLE IV

EASEMENTS

Section 4.1 Utility Easements: The Common Area shall be, and is hereby, made subject to easements in favor of the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this section shall include, without limitation, rights of Association, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment under, through, along and on the Common Area.

Section 4.2 Easement to Correct Drainage: The Association reserves an easement on, over and under those portions of the Common Area for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this section expressly includes the right to cut any trees, bushes or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this result, following which the Association can restore the affected ground as closely to its original condition as practicable.

Section 4.3 Easement for Traffic: Each Unit Owner and each person lawfully residing on the Property is hereby granted a non-exclusive perpetual right and easement of ingress and egress and right of vehicular and pedestrian traffic on, over, through and across the designated areas of the Common Area.

Section 4.4 Rights and Easements of Record: The Property is subject to the rights and easements of records in and over the Property as were reserved for the benefit of the occupants of the larger tract of which the Property was a part in the deed of its conveyance to the developer of the Property by the common owner thereof, including a reservation for the occupants of the larger tract for the use and enjoyment of the Recreation Facilities, under and subject to an obligation for contribution on account of the cost thereof that provided in such deed.

Section 4.5 Binding Effect. All easements and rights described and mentioned herein are easements appurtenant, running with the land, the Units and the Common Area and shall be in full force and effect for the life of this Declaration, as amended, and at all times shall inure to the benefit of and be binding upon the Association, its successors and assigns, the Board and any Unit Owner, purchaser, mortgagee, lessee or other person having an interest in the land or any Units, Common Area or portions thereof.

ARTICLE V

DUTIES AND POWERS OF ASSOCIATION

Section 5.1 Use and Occupancy of Units and Common Area: The occupancy and use of the Common Area shall be subject to the following restrictions:

5.1.1 No use or practice shall be permitted on the Property which is the source of undue annoyance to the other occupants of the Property or interferes with the peaceful possession and proper use of the Property by such other occupants or will materially increase the rate of insurance on the Property beyond that to be anticipated from the proper and accepted conduct of otherwise permitted uses hereunder.

(a) There shall be no obstruction of the Common Area nor shall anything be stored in the Common Area without the prior consent of the Board except as herein expressly provided.

(b) No benches, chairs or other personal property shall be left on, nor shall any playing, lounging, parking of baby carriages, playpens, bicycles, wagons, toys or vehicles be permitted on, any part of the Common Area without the prior consent of and subject to any regulations of the Board.

(c) No rubbish, trash or garbage or other waste material shall be kept or permitted upon the Property except that the Association shall provide for the collection of trash and trash shall be deposited in dumpsters provided by the Association.

(d) No outbuilding, shack, shed or other building or improvement of any kind shall be placed upon any portion of the Common Area, except maintenance buildings or other buildings servicing the Property as shall be deemed necessary by the Association.

5.1.2 Each Unit Owner shall have the right to use the Common Area in common with all other Unit Owners, as may be required for purposes of access, ingress to, egress from, use, occupancy and enjoyment of the Unit owned by such Unit Owner, and for such other purposes incidental to the use of the Units; provided, however, that the parking spaces, and other Common Area designed to be used for specific purposes, shall be used only for such purposes. Such right to use the Common Area shall extend to each Unit Owner and to his agents, servants, tenants, family members, customers, invitees and licensees.

Section 5.2 Duties of Association: The Association shall have the obligations and duties, subject to this Declaration, to do and perform each and every of the following for the benefit of the Owners and for the maintenance and improvement of the Community:

A. The Association shall hold title to the Common Area and the Recreation Facilities;

B. The Association shall maintain, or provide for the maintenance of, the Common Area, the Recreation Facilities and all improvements of whatever purpose from time to time located thereon in good order and repair and in a safe and sanitary condition; provided, however, that notwithstanding the foregoing, the Association shall have no obligation to maintain in good order and repair any improvement constructed upon the Common Area for Recreation Facilities by any Tower Council.

C. The Association shall enter upon and maintain, or provide for the maintenance of, any Building which is not maintained by the Owner or Tower Council in charge thereof;

D. To the extent not assessed to or paid by the Owners, the Association shall pay all real property taxes and assessments levied upon any portion of the Common Area or upon the Recreation Facilities;

E. The Association shall from time to time make, establish, promulgate, amend and repeal the Valley Forge Towers Community Rules and Regulations and shall promptly furnish copies of amended Rules and Regulations to all Unit Owners; and,

F. The Association shall take such action, whether or not expressly authorized herein or in any other governing instrument, as may be reasonably necessary to enforce the restrictions, limitations, covenants and conditions of this Declaration and the Valley Forge Towers Community Rules and Regulations and the rules of the Design Committee established pursuant to Article V herein. The Rules and Regulations shall address the operation of the Community, including but not limited to:

1. the use of Common Area and Recreation Facilities;
2. the use of roads, including maximum speeds for vehicular traffic, times when commercial vehicles may be permitted to use the roads and any limitation on the types of vehicles permitted to use the roads;
3. the collection and disposal of refuse;
4. the maintenance of animals within the Community;
5. parking restrictions and limitation.

Section 5.3 Architectural Control:

A. In the event the Association shall wish to alter the Common Area or Recreation Facilities or in the event any Tower Council or Owner shall propose to make a structural change to any Building, such party shall apply therefor by submitting to the Board plans and specifications showing the nature, kind, shape, height, materials and location of the proposed alteration together with such other information as the Board may from time to time require. The Board shall approve the plans and specifications submitted to it provided the following conditions have been satisfied:

1. The proposed alteration is reasonably necessary for any utility installations serving any portion of the Valley Forge Towers Community.
2. The proposed alteration is desirable in order to provide or improve access to or enhance the use and enjoyment of any improvements within the Community.

3. The proposed alteration is desirable to preserve any improvements within the Community.

4. The proposed alteration is compatible with the existing Buildings and Common Area of the Community, including the design and location of its improvements or topography.

5. The proposed alteration shall not materially adversely affect the Valley Forge Towers Community or any Owner in the use and enjoyment of the Property or any Unit.

B. All approvals by the Board shall be in writing; provided, however, that in the event the Board fails to approve or disapprove said plans or specifications within sixty (60) days from the date of their submission, the application will be deemed to have been approved, in accordance with said plans and specifications. Rejection of plans by the Board shall be in writing and shall set forth with particularity the reasons for such rejection.

C. Upon receipt of approval from the Board, the Tower Association and/or Unit Owner shall, as soon as practical, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, alterations and excavations pursuant to the approved plans. If the Tower Association and/or Unit Owner fails to comply with this Section, the Board shall notify the Association of such failure and the Association, at its option, shall either complete the proposed construction, reconstruction, alteration or excavation in accordance with the approved plans or remove any such improvement which is not completed in accordance with the approved plans, and the Tower Association and/or Unit Owner shall reimburse the Association for all expenses incurred in connection therewith.

D. When thirty (30) days after written demand therefor is delivered to the Board by any Owner or Tower Council and upon payment therewith to the Association of a reasonable fee from time to time to be fixed by the Association, the Board shall record an estoppel certificate executed by any two of its members, certifying with respect to any Unit or Building of said Owner or Tower Council, that as of the date thereof either (a) all improvements and other work made or done upon or within said Building or Unit by the Owner or Tower Council, or otherwise, comply with this Declaration, or (b) such improvements and/or work do not so comply, in which event the certificate shall also (1) identify the non-complying improvements and/or work and (2) set forth with particularity the cause or causes for such non-compliance. Any purchaser from a Unit Owner or Tower Council, or mortgagee or other encumbrance shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, and all Unit Owners and such purchaser, mortgagee or other encumbrancer.

E. Neither the Board nor any member thereof shall be liable to the Association or to any Unit Owner or Tower Council for any damage, loss or prejudice suffered or claimed on account of (a) the approval of any plans, drawings and specification, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development, or manner of development of any improvement within the Valley Forge Towers Community or (d) the execution and filing of an estoppel certificate pursuant to Section 5.3 H. whether or not the facts therein are correct; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

ARTICLE VI

BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENTS

Section 6.1 Not less than thirty (30) days prior to the commencement of each fiscal year, the Association shall estimate the costs and expenses, including a reasonable provision for contingencies and replacements, to be incurred by the Association during such fiscal year in performing its functions under Article V with respect to the Common Area. Such estimate shall exclude the cost of those functions relating to the Recreation Facilities. The Association's judgment as to the amount thereof allocable hereunder shall be final and shall subtract from such estimate the following:

A. An amount equal to the anticipated balance (exclusive of any reserves for contingencies and replacements) in the Common Area operating fund at the start of such fiscal year; and

B. Any estimated income attributable to the operating fund itself. The remainder shall constitute the "Annual Common Expense Assessment."

Section 6.2 Not less than thirty (30) days prior to the commencement of each fiscal year, the Association shall estimate the costs and expenses, including a reasonable provision for contingencies and replacements, to be incurred by the Association during such fiscal year in performing its functions under Article V with respect to the Recreation Facilities. The Association's judgment as to the amount thereof allocable hereunder shall be final and shall subtract from such estimate the following:

A. An amount equal to the anticipated balance (exclusive of any reserves for contingencies and replacements) in the Recreation Facility operating funds at the start of such fiscal year; and,

B. Any estimated income attributable to the operating fund itself. The remainder shall constitute the "Annual Recreation Facilities Assessment."

Section 6.3 The Annual Common Expense Assessment and the Annual Recreation Facilities Assessment shall be assessed to the Owners, in the following manner:

A. Each such assessment shall be determined by allocating such Assessment in equal shares to each of the Buildings (the "Building Assessment").

Section 6.4 Monthly Payments: All Common Area Assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed on a monthly basis (rather than on an annual basis payable in monthly installments) and shall be due and payable in advance on the first day of each month.

Section 6.5 Reserve Fund: The Association shall maintain an adequate reserve fund for maintenance, repair and replacement of the Common Area which is anticipated to require replacement, repair or maintenance on a periodic basis. The reserve fund shall be funded by monthly payments as a part of Common Expenses.

Section 6.6 Special Assessments: If the annual budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessments, or any nonrecurring Common Expense or any Common Expense not set forth in the annual budget as adopted, the Board may at any time levy a further assessment, which shall be assessed to each Building equally. Such further assessment shall be payable in such monthly installments as the Board may determine. The Board shall serve notice of further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective and shall be payable at such time or times as determined by the Board. Special Assessments shall be payable in the same manner as Common Element Assessments.

Section 6.7 Failure to Fix New Assessments: If the Board shall fail to fix new assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners shall continue to pay the same sums they were paying for such assessments during the fiscal year just ended and such sum shall be deemed to be the new assessments for the succeeding fiscal year. If the Board shall change the assessment at a later date, such new assessment shall be treated as if it were a Special Assessment under Section 6.7 hereof.

Section 6.8 No Exemption by Waiver: No Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Area or by the abandonment of his Unit or otherwise.

Section 6.9 Personal Liability of Unit Owners: In the event of any violation of the provisions of the Act, this Declaration, the

By-Laws or the Rules and Regulations of the Association by any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit), the Association, or its successors or assigns, or the Board, or any Unit Owner directly affected by such violation, shall have each and all of the rights and remedies which may be provided for in this Declaration, the By-Laws or said Rules and Regulations, or which may be available at law or in equity, and may prosecute an action or any other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien, the appointment of a receiver for the Unit of such Unit Owner, for damages, for injunction or specific performance, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen (18%) percent per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed a part of his respective share of the Common Expenses, and the Association shall have a lien for all of the same, as well as for nonpayment of his respective share of the Common Expenses, upon the Unit of such defaulting Unit Owner and upon all his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property. In the event of any such default by any Unit Owner, the Board and Manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default and do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against the Unit owned by such defaulting Unit Owner. Any and all rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise.

Section 6.10 Acceleration: If a Unit Owner is in default of a monthly payment of the aforesaid charges or assessments for sixty (60) days, the Board may, in addition to all other remedies in the Act or Declaration contained, accelerate all other monthly payment of charges and assessments due for the following twelve (12) months.

Section 6.11 Unpaid Assessments Upon Execution Sale Against a Unit: Any unpaid assessments which cannot be promptly collected from a former Unit Owner may be reassessed by the Board as a Common Expense to be collected from all of the Unit Owners, including (by way of illustration and not limitation) the purchaser who acquired title at the sheriff's sale, his successors and assigns and any holder of a Permitted Mortgage who comes into possession of a Unit by deed in lieu of foreclosure or assignment in lieu of foreclosure.

Section 6.12 Liability of Purchaser of Unit for Unpaid Assessments: Notwithstanding the provisions of Section 6.10 hereof, upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein, the grantee thereof

shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may have paid, and until any such assessments are paid, they shall continue to be a lien against the Unit which may be enforced in the manner herein.

Section 6.13 Subordination of Certain Charges: Any fees, charges, late charges, fines and interest that may be levied by the Association pursuant to -- 3302(a)(10, (11) and (12) of the Act shall be subordinate to any first lien of a Permitted Mortgage.

Section 6.14 Assessment Lien: If any Unit Owner or Tower Association does not pay any assessment or any installment thereof when due, said Unit Owner and/or Tower Association shall be deemed in default and the amount of the assessment not paid, together with the amount of any subsequent default, plus interest as aforesaid and costs including reasonable attorney's fees shall become a continuing lien against the property interest of such Unit Owner and/or Tower Association as defined in this Declaration, which shall bind such property upon the recordation by the Association of a notice of default. If any assessment is made against any Tower Association or Tower Council in accordance with the terms hereof and such assessment or any installment thereof is not paid when due, as herein before provided, and upon the recordation of the aforesaid notice of default, the lien therefor shall lie both against the defaulting Tower Association and against the Unit Owners therein, rateably, in accordance with their respective percentages of undivided interest in the Common Elements established by such defaulting condominium's Declaration. Such liens shall be subject and subordinate to the lien of any mortgage upon such defaulting owner's ownership interest as aforesaid which is made in good faith and for value and is recorded prior to the recordation of such notice of default. The Association shall record such notice of default within sixty (60) days following the occurrence of such default and shall commence proceedings to enforce such lien within six (6) months following such recordation. The foregoing remedy shall be in addition to any other remedies provided by law for the enforcement of such assessment obligation.

- A. The Association shall execute and acknowledge a certificate stating the indebtedness secured by the lien against any Unit or Units (or any other ownership interests covered by the terms hereof) and such certificate shall be conclusive upon the Association, the Unit Owners and the respective Tower Associations, in favor of all persons who rely thereon in good faith, as to the amounts such indebtedness on the date of the certificate. The Association shall provide a copy of

such certificate to any Unit Owner and any Tower Council upon request.

Section 6.15 Confession of Judgment: IN ORDER TO EXPEDITE THE BOARD'S COLLECTION OF ANY DELINQUENT ASSESSMENT, EACH UNIT OWNER (BY THE ACCEPTANCE OF THE DEED TO HIS UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE BOARD MEMBER AS THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENTS, WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE VI AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL THE DECLARATION SHALL BE TERMINATED.

ARTICLE VII

INSURANCE

Section 7.1 Casualty Insurance to be Carried by Association: The Association shall maintain, to the extent reasonably available, insurance against the loss or damage by fire and all other hazards covered by standard extended coverage endorsement on all insurable improvements and fixtures of the Common Area for the full insurance replacement cost thereof and may maintain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiaries of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to, the Association. The insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the annual assessment made by the Association.

- A. In the event of damage to or destruction of any part of the Common Area, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Special Assessment against all Owners to cover the additional costs of repair or replacement not covered by the insurance proceeds, in addition to any other annual assessments made against such Owners. In the event that the Association is maintaining blanket casualty and fire

insurance on the Units, the Association shall repair or replace the same from the insurance proceeds available.

- B. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

Section 7.2 Liability Insurance to be Carried by Association: The Association shall maintain, to the extent of at least One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of single occurrence, comprehensive general liability insurance coverage on all Common Area and public ways of the Property. Coverage shall include, without limitation, legal liability of the Association for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Area, and legal liability arising out of lawsuits relating to employment contracts of the Association. Any such policies must provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days prior notice to the Association.

Section 7.3 Workmen's Compensation: The Association shall maintain worker's compensation and employer's liability insurance to the extent required by law, covering persons employed by the Association.

Section 7.4 Officers and Directors Insurance: The Association shall maintain Board member and officers' liability insurance.

Section 7.5 Other Insurance: Generally, the Association shall maintain such other insurance as the Board may, in the exercise of reasonable business judgment, determine to be necessary.

Section 7.6 Release of Claims: Each Unit Owner and the Board hereby waives and releases any and all claims which he or it may have against any other Unit Owner, the Association, the Board and members thereof, and their respective employees and agents, for damage to the Common Area, the Units or to any personal property located in the Units or Common Area, caused by fire or other casualty or any other act or omission of any such party to the extent that such damage is covered by fire or other form of hazard insurance.

Section 7.7 Owner Negligence: If an act or omission of a Unit Owner, or member of his family, a household pet, guest, occupant, or visitor of such Unit Owner, shall cause damage to the Common Area or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Area expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by

the Board, to the extent that such payment is not waived or released under the provisions of subparagraph 7.6 above.

Section 7.8 Insurance Policy Not Impaired: Any release or waiver referred to in subparagraphs 7.7 and 7.8 above, shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder. The Unit Owners and the Board, with regard to the insurance carried by each of them, shall use their best efforts to see that their insurance carriers agree that such release or waiver does not affect their rights to recover.

Section 7.9 Revision of Property Coverage: If the Board fails within sixty (60) days of an insured lost to initiate a claim for damages recoverable under the property insurance policy obtained pursuant to the Act, the holder of any Permitted Mortgage may maintain such a claim on behalf of the Board. At least once every three years, but more frequently if in the Board's judgment the property is rapidly appreciating in value, the Board shall cause an appraisal of the property to be made for the purpose of determining the current full insurance replacement value of the insured property, without considering depreciation, and the Board shall change the amount of property insurance on the property to the amount of the then-current full insurable replacement value of the property as established by such appraisal, provided that such insurance shall not be decreased below the aggregated principal amount of all Permitted Mortgages.

ARTICLE VIII

BOARD OF THE ASSOCIATION

Section 8.1 Powers of the Board: The Board shall consist of six (6) members and three (3) alternate members. Each Tower Association shall elect two (2) members and one (1) alternate at the annual meetings of the Tower Association members; until such time as a Tower Association is operating in such Building, the owner of the Valley Forge Towers North apartments shall select two (2) members and one (1) alternate to serve on the Board. In addition to the powers set forth in the Act, the Board shall have the following additional powers:

(a) To appoint committees of the Board (which need consist of only one (1) Board Member) and to delegate to such committees the Board's authority to carry out certain duties of the Board, subject to the approval and control of the Board.

(b) To engage the services of any persons (including, but not limited to, accountants and attorneys) deemed necessary by the Board at such compensation as is deemed reasonable by the Board, in the operation, repair, maintenance and management of the

Property, or in connection with any duty, responsibility or right of the Board and to remove, at any time, any such personnel.

(c) To pay any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Board constitute a lien against the Property or against the Common Area, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Unit Owners.

(d) To establish user charges with respect to the use of any amenities. Such charges shall be billed to the Unit Owner who, or whose guest, makes use of such facilities. Nothing herein contained shall require the establishment of user charges with respect to all or any one or more of such amenities. Use of all such amenities shall be subject to the Rules and Regulations of the Board.

(e) To contract and pay for or otherwise provide for such utility services, including but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required. In the event more than one Unit share a common utility meter or if a portion of the Common Area and one or more Units share a common utility meter, to determine the proper allocation of the cost of the utility service between or among the recipients of such utility service which determination shall be conclusive and binding.

(f) To authorize its agents, servants, workmen and employees to enter upon any Building for the purpose of maintaining and repairing such Building if for any reason whatsoever the Tower Council involved fails to maintain and repair such Building.

(g) To bring on its own behalf, or on behalf of any Unit Owner who consents thereto, any action or suit to restrain and enjoin any breach or threaten breach of this Declaration and to enforce, a mandatory injunction or otherwise, all provisions of this Declaration.

(h) To contract and pay for or otherwise provide for such materials, supplies, furniture, equipment and labor and to the extent the Association deems necessary.

(i) To pay, compromise or contest any and all taxes and assessments levied against all or any part of the Common Area or Recreation Facilities or upon any personal property belonging to the Association; provided, however, that prior to the sale or other disposition of any property to satisfy the payment of any such tax

or assessment, the Association shall pay and discharge the lien imposed with respect to such property.

(j) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or by the Declaration, the Articles of Incorporation or by statute;

(k) subject to the provisions of the Declaration, grant and convey to any third party easements and rights-of-way in, over and under the Common Elements and facilities for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder overhead or underground lines, cables, wires, conduits or other devices for the transmission of electricity and for lighting, power, telephone, community television, radio and audio antenna facilities for other appropriate purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any similar public or quasi-public improvements and facilities;

(l) contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all improvements of whatsoever kind and for whatever purpose from time to time located within the Common Elements and facilities;

(m) contract and pay for, or otherwise provide for, trash removal services and utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services;

(n) contract and pay for, or otherwise provide for, the construction, reconstruction, repair, replacement or refinishing of any roads, or other paved areas upon any portion of the Property not dedicated to any governmental unit;

(o) contract and pay for, or otherwise provide for, fire and other protective services as the Association shall from time to time deem appropriate for the benefit of the Property, the owners, their tenants and guests;

(p) employ or contract with a professional Manager to perform all or any part of the duties and responsibilities of the Association. Any such agreement shall be for a term not in excess of three (3) years, subject to cancellation by the Association for cause at any time upon not less than ninety (90) days' written notice;

(q) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a

certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(r) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(s) establish late charges for failure to pay assessments on a timely basis; and

(t) establish and assess fines for non-compliance with rules and regulations adopted by the Association.

(u) To establish rules and regulations for the operation of the Community as more particularly set forth in Article V above.

Section 8.2 Disputes: In the event of any dispute or disagreement relating to or any questions of interpretation or application of the provisions of this Declaration, the Plan, the By-Laws or the Rules and Regulations, the determination thereof by the Board shall be final and binding on each and all such Unit Owners. The Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this Section 8.2. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

ARTICLE IX

LIMITATION OF LIABILITY

Section 9.1 Limited Liability of the Board: The Board, and its members in their capacity as members, officers and employees:

- A. Shall not be liable for the failure of any service to be obtained by the Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Board;
- B. Shall not be liable to the Unit Owners as a result of the performance of the Board members' duties for any mistake of judgment, negligence or otherwise, except for the Board members' own willful misconduct or gross negligence;
- C. Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Board

or the Association in the performance of the Board members' duties;

- D. Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Area, except for the Board members' own willful misconduct or gross negligence.
- E. Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Board members' own willful misconduct or gross negligence in the performance of their duties; and
- F. Shall have no personal liability arising out of the use, misuse or condition of the Common Area or Recreation Facilities, or which might in any other way be assessed against or imputed to the Board members as a result of or by virtue of their performance of their duties, except for the Board members' own willful misconduct or gross negligence.

Section 9.2 Indemnification: Each member of the Board, in his capacity as a Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Board, or any settlement of any such proceeding, whether or not he is a Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Board (with the affected member abstaining if he is then a Board Member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section 9.2 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

Section 9.3 Defense of Claims: Complaints brought against the Association, the Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holders of any mortgages on Units and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages on Units shall have no right to participate in such defense other than through the Association.

Section 9.4 Insurance: The Board shall obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section 9.2 above, if and to the extent available.

Section 9.5 Fidelity Bonds: The Association shall maintain blanket fidelity bonds for all officers, directors, and employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association. Such fidelity bonds shall be purchased by, and held in the name of the Association and shall be in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association at any given time during the term of each bond, but in no event shall the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments on all Units plus reserve funds. All such fidelity bonds shall contain waivers by the issuers of such bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. Premiums on all bonds required herein shall be paid by the Association as a common expense. Bonds shall provide that they may not be canceled or substantially modified without at least ten days prior written notice to the Association and to each holder of a first mortgage on any Unit in the Condominium which is listed as scheduled holder of a first mortgage or servicer.

ARTICLE X

MORTGAGES; RIGHTS OF PERMITTED MORTGAGEES

Section 10.1 Reports and Notices: Upon the specific written request of a Permitted Mortgagee or its servicer to the Board, the Permitted Mortgagee shall be entitled to receive some or all of the following as designated in the request:

- A. Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Board to the Owner of the Unit covered by the mortgage;

- B. Any audited or unaudited financial statements of the Association which are prepared for the Association;
- C. Copies of notices of meetings of the Unit Owners and the right to designate a representative to attend such meetings;
- D. Notice of the decision of the Unit Owners to make any material amendment to this Declaration;
- E. Notice of substantial damage to or destruction of any part of the Common Area (the repair of which would cost in excess of \$10,000.00);
- F. Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;
- G. Notice of any default by the owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Unit Owner of the existence of the default;
- H. The right to examine the books and records of the Board at any reasonable time; or
- I. Notice of any decision by the Board to terminate professional management and assume self-management of the Property.

The request of a mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Board. The Board need not inquire into the validity of any request made by a mortgagee hereunder, but may request reimbursement for reasonable expenses in producing any documents requested.

Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Board.

ARTICLE XI

UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; EMINENT DOMAIN

Section 11.1 Applicability of Documents: Each present and future Unit Owner, occupant and Mortgagee of a Unit or a Building shall be subject to and shall comply with the provisions of the Act, this Declaration, the By-Laws and the Rules and Regulations and with the covenants, conditions and restrictions as set forth in this Declaration, the By-Laws, the Rules and Regulations and the deed to

such Unit. The acceptance of a deed or mortgage to any Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, the Rules and Regulations and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee or Mortgagee. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or mortgage thereof.

Section 11.2 Eminent Domain: Whenever all or part of the Common Area shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. The Association shall represent the Unit Owners in the condemnation proceedings or negotiations, settlements and agreements with the condemning authority for the acquisition of the Common Area, or part thereof, by the condemning authority. In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the award or proceeds of settlement shall be payable to the Association to be held in trust for Unit Owners and their first mortgage holders as their interest may appear.

ARTICLE XII

AMENDMENT OF DECLARATION

Section 12.1 Amendment Generally: In no event shall any amendment be valid without the consent of at least sixty-seven (67%) percent of all Unit Owners eligible to vote.

Section 12.2 Rights of Secured Lenders: No amendment of this Declaration may be made without the prior written approval of holders of first mortgages on Units to which at least sixty-seven percent (67%) of the votes of the Units subject to a mortgage appertain, if and to the extent that such approval is required by the Act or if and to the extent that such amendment would have the effect of (1) abandoning, encumbering, selling or transferring the Common Area or (2) partitioning or subdividing any Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area shall not be deemed to be a transfer within the meaning of this Section.

Section 12.3 Other Amendments: If any amendment is necessary in the judgment of the Board to cure any ambiguity or to correct or supplement any provision of this Declaration or the Plats and Plans which is defective or inconsistent with any other provision hereof

or thereof or with the Act, or to change, correct or supplement anything appearing or failing to appear in the Plats and Plans which is incorrect, defective or similarly inconsistent, or if such amendment is necessary to conform to the then current requirement of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or similar government agency with respect to condominium projects, the Board may, at any time and from time to time, effect such amendment without the approval of the Unit Owners, or Permitted Mortgagees, upon receipt by the Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence, together with a like opinion from an independent registered architect or licensed professional engineer in the case of any such amendment to the Plats and Plans. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution and acknowledgments by one or more officers of the Board.

ARTICLE XIII

INTERPRETATION

To the extent any covenant, restriction or condition of the Initial Declaration is not inconsistent with the provision of this Amended and Restated Declaration and is not expressly set forth in this Amended and Restated Declaration, such restrictions, covenants and conditions shall remain in full force and effect. The provisions of this Declaration shall be liberally construed in order to effectuate Association's desire to create a uniform plan for development and operation of the Community. The Association, or its designated committee where specifically authorized herein to act, shall have the right to construe and interpret the provisions of this Declaration, and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be binding and final as to all persons or property benefited or bound by the provisions hereof. The headings preceding the various paragraphs of this Declaration and the table of contents are intended solely for the convenience of the readers of this Declaration.

ARTICLE XIV

SEVERABILITY

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof unless such deletion shall destroy the uniform plan for development and

operation of the Community which this Declaration is intended to create.

ARTICLE XV

EFFECTIVE DATE

This Declaration shall become effective when it and the Plan have been recorded.

IN WITNESS WHEREOF, the Valley Forge Towers Community Association, intending to be legally bound hereby has duly executed this Declaration, the day and year first above written.

VALLEY FORGE TOWER COMMUNITY
ASSOCIATION

Attest: Ellen Feldman
Secretary

By: [Signature]
President

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF MONTGOMERY : SS
:

On the 30th day of March A.D., 1994, before me, the subscriber, a Notary Public, personally appeared JAY REISSMAN, who acknowledges himself to be the President of Valley Forge Towers Community Association, and that he, as such officer, being authorized to do so, executed the foregoing instrument by signing the name of the Corporation by himself as and for the act and deed of said Corporation for the uses and purposes therein contained and that he desires the same might be recorded as such.

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

Terri A. Derstine
Notary Public



BY-LAWS
OF
VALLEY FORGE TOWERS COMMUNITY ASSOCIATION
(A PENNSYLVANIA NONPROFIT CORPORATION)

ARTICLE I -
INTRODUCTORY PROVISIONS

1. Applicability. These By-Laws provide for the governance of the Association created pursuant to the Declaration of Community Restrictions, Covenants and Conditions dated March 14, 1974, and recorded in the Office of the Recorder of Deeds of Montgomery County, Pennsylvania on April 10, 1974 in Deed Book 3933, Page 328, as amended by the Supplemental and Amending Declaration of Community Restrictions, Covenants and Conditions dated December 6, 1976 and recorded in the Office of the Recorder of Deeds of Montgomery County, Pennsylvania on December 6, 1976 in Deed Book 4162, Page 509 and as further amended by the Second Supplemental and Amending Declaration of Community Restrictions, Covenants and Conditions dated September 22, 1981 and recorded in the Office of the Recorder of Deeds of Montgomery County, Pennsylvania on September 22, 1981 in Deed Book 4660, Page 705, and any other subsequent amendments.
2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these By-Laws pertain, except as otherwise provided herein.
3. Compliance. Every Member of the Association shall comply with these By-Laws.

ARTICLE II - OFFICES

1. Registered Office. The name of the Association's commercial registered office provider and the county of venue in the Commonwealth of Pennsylvania shall be c/o 4000 Valley Forge Circle, King of Prussia, Montgomery County, Pennsylvania 19406 (for venue and official publication purposes), until otherwise established by an amendment of the Articles of Incorporation or by the Board of Directors and a record of such change is filed with the Department of State in the manner provided by law.
2. Other Offices. The Association may also have offices at such other places within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time appoint or the business of the Association may require.

ARTICLE III - CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Association, the year of its organization and the words "Corporate Seal, Pennsylvania."

ARTICLE IV - MEETINGS OF MEMBERS

1. Membership. Every Owner of a Unit shall be a Member of the Association. Membership in the Association shall be appurtenant to each of the Units and the transfer of title to each Unit shall automatically transfer membership in the Association without the necessity of the delivery of any document. Membership in the Association shall not be separated from the ownership of any Unit.

2. Place of Meeting. Meetings of the Members shall be held at the registered office of the Association or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors, which place shall be specified in the notice of such meeting.

3. Annual Meeting. The annual meeting of the Members shall be held on the first Tuesday of April in each year if not a legal holiday, and if a legal holiday then on the next full business day following, at 2:00 p.m., when they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within six (6) months after the designated time, any Member may call such meeting.

4. Special Meetings. Special meetings of the Members may be called at any time by the President, or the Board of Directors, or upon written request of Members who are entitled to cast at least forty percent (40%) of the votes which all Members are entitled to cast at the particular meeting. At any time, upon written request of any person who has called a special meeting, it shall be the duty of the Secretary to fix the time of the meeting, which shall be held not more than sixty (60) days after the receipt of the request. If the Secretary shall neglect or refuse to fix the time of the meeting, the person or persons calling the meeting may do so. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto, unless consented to in person or by proxy by forty percent (40%) of all Members entitled to attend or vote at such meeting.

5. Method of Voting. Questions to be submitted to Members may be decided at a meeting or by valid vote, by mail or at polling places designated by the Board, or any reasonable means determined by the Board of Directors. The Board shall determine, by resolution, the method of voting and give notice thereof as provided herein. Elections for directors need not be by secret written ballot, except upon demand made by a Member at the election and before the voting begins. On a vote by written ballot, each ballot shall be signed by the Member voting, or by his proxy, if any, and shall state the number votes to which such Member is entitled.

6. Notice of Meetings.

(a) Written notice of every meeting of the Members, stating the time, place and object thereof, shall be given by, or at the direction of, the Secretary to each Member of record entitled to vote at the meeting, at least five (5) days and not more than fifty (50) days prior to the day named for the meeting, unless a greater period of notice is required by statute in a particular case. If the Secretary shall neglect or refuse to give notice of the meeting, the person or persons calling the meeting may do so. In the case of a special meeting, the notice shall specify the general nature of the business to be transacted.

(b) Notice as provided for in these By-Laws shall be addressed to Members at each Member's respective Unit or at such other address as any such Member may from time to time specify in writing to the Association's Secretary. Notices to co-owners shall be addressed to all but need only be sent to one address.

(c) Persons authorized or required to give notice of a meeting of Members may, in lieu of any written notice of a meeting of Members required to be given, give notice of such meeting by causing notice of such meeting to be officially published. If eighty percent (80%) of the Members of record entitled to vote at the meeting do not have addresses of record within the territory of general circulation of the newspapers required for official publication, the notice shall also be published in newspapers which have an aggregate territory or general circulation which includes the addresses of record of at least eighty percent (80%) of such Members of record.

7. Quorum. A meeting of Members duly called shall not be organized for the transaction of business unless a quorum is present. The presence at the meeting of Members entitled to cast, or of proxies to cast, ten percent (10%) of the votes of which all Members would be entitled to cast shall constitute a quorum for any action, except as otherwise provided in the Declaration, the Articles of Incorporation or by statute. The Members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided by statute, adjourn the meeting to such time and place as they may determine; but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors. In the case of any meeting called for any other purpose, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those Members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter, is given to each Member of record entitled to vote at such second adjourned meeting at least ten (10) days prior to the day named for the second adjourning meeting.

(a) Any corporate action to be taken by a vote of the Members shall be authorized by a majority of the total votes cast at a meeting of Members by the Members present in person or represented by proxy and entitled to vote on such action.

8. Action by Consent. Any action which may be taken at a meeting of the Members, or of a class of Members, 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.

9. Voting Rights. Every Member of the Association shall be entitled to one (1) vote for each Unit, unless otherwise provided in the Declaration. No Member shall sell his vote for money or anything of value. Upon request of a Member, the books or records of membership shall be produced at any regular or special meeting of the Association. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be Members entitled to vote may vote. The right of a Member to vote, and his right, title and interest in or to the Association or its Property, shall cease on the termination of his membership.

(a) If any Member owns more than one (1) Unit, such Member, subject to the provisions of this Section, shall be entitled to one (1) vote for each such Unit;

(b) When any Unit is owned by more than one (1) Member as tenants by the entireties, or in joint tenancy or tenancy in common or any other manner of joint or common ownership or interest, such Members shall collectively be entitled to only one (1) vote relative to such Unit, and if such Members cannot jointly agree as to how that vote should be cast, no vote shall be allowed with respect to such Unit;

(c) Any Member who is in violation of the Valley Forge Towers Community Restrictions, as determined by the Board, shall not be entitled to vote during any period in which such violation continues. Any Member who fails to pay any common expense assessment or any special assessment established by the Association shall not be entitled to vote during any period in which any such common expense assessment or special assessments are due and unpaid.

10. Proxies. At all meetings of Members, each Member may vote in person, by mailed ballot or by proxy. All proxies shall be in writing and filed with the Secretary prior to the time of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit, or upon receipt of written notice by the Association of the death or judicially declared incompetence of the grantor of the proxy.

ARTICLE V - DIRECTORS

1. Number. The business and affairs of the Association shall be managed by its Board of Directors, six (6) in number with three (3) additional alternates, who shall be natural persons of full age.

2. Meetings, Generally. The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth or elsewhere as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

3. Annual Meetings. Annual meetings of the Board shall be held without notice immediately following the annual meeting of the Members in each year at the registered office of the Association, or at such other time and place as shall be determined by the Board. In no event shall more than three hundred ninety (390) days elapse between annual meetings.

4. Regular Meetings. Regular meetings of the Board shall be held at such time and place as the Board may from time to time determine. If any date fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on next succeeding business day. Notice of regular meetings of the Board need not be given except as otherwise required by statute or by these By-Laws.

5. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any three (3) directors.

6. Notice.

(a) Notice of every special meeting of the Board of Directors shall be given to each director in person, by telephone or in writing at least 24 hours (in the case of notice in person, by telephone, telex, TWX or telecopier), or 48 hours (in the case of notice by telegraph, courier service or express mail), or five (5) days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in a notice of a meeting.

(b) Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any such meeting shall be a waiver of notice by him of the time and place thereof unless such attendance is solely for the purpose of objecting to the notice given. If all of the directors then serving on the Board are present at any meeting thereof, no notice shall be required and business may be transacted at such meeting unless one or more of the directors are attending solely for the purpose of objecting to the

notice given.

7. Quorum. A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of four (4) of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

8. Effects of Presence. Any director present at any meeting shall be deemed to have assented to any action taken at such meeting unless his dissent is entered in the minutes or unless his written dissent is filed with the Secretary at or immediately following the adjournment thereof, provided that no director may dissent from any action from which he voted in favor at the meeting.

9. Action by Written Consent. Any action which may be taken at a meeting of the directors 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 in office and shall be filed with the Secretary of the Association.

10. Alternate Directors. Alternate directors shall replace any absent or disqualified director at any meeting of the Board. The alternate director elected or appointed by the Tower Association or owner of a Building shall vote in the place of the absent representative for such Building.

11. Committees. The Board of Directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the Association. Any such committee, to the extent provided in the resolution of the Board of Directors or in the By-Laws, shall have and may exercise all of the powers and authority of the Board of Directors, except that no such committee shall have any power or authority as to the following:

(a) The submission to Members of any action required by statute to be submitted to the Members for their approval;

(b) The filling of vacancies in the Board of Directors;

(c) The adoption, amendment or repeal of the By-Laws;

(d) The amendment or repeal of any resolution of the Board; or

(e) Action on matters committed by the By-Laws or resolution of the Board of Directors to another committee of the Board.

Each committee of the Board shall serve at the pleasure of the Board, and its members shall be indemnified from liability to the extent hereinafter afforded the directors of the Association pursuant to Article XVII.

12. Alternate Committee Members. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or

disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member.

13. Removal.

(a) The entire Board of Directors, or any individual director may be removed from office without assigning any cause by the vote of a majority of the votes of any Tower Association at any annual or other regular election of the directors. In case the Board or any one or more directors are so removed, new directors may be elected at the same meeting.

(b) The unexcused absence of any director from three (3) consecutive regular meetings of the Board shall be deemed a resignation.

(c) The Board of Directors may declare vacant the office of a director if he is declared of unsound mind by an order of court or is convicted of felony, or if within sixty (60) days after notice of his selection he does not accept such office, either in writing or by attending a meeting of the Board of Directors, and fulfill such other requirements of qualification as the By-Laws may specify.

14. No Compensation. No director shall be compensated by the Association for acting as such; provided, that nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefor.

15. Rules of Order. When not otherwise provided herein, the Board and the Association shall conduct their respective business in accordance with Robert's Rules of Order, or such other rules as it may adopt from time to time for such purpose.

16. Members' Right to Attend Meetings. Members shall have no right to attend meetings of the Board, but the Board may, in its sole discretion, elect to allow Members to attend a particular meeting or meetings, and shall post or cause to be posted a notice of such meeting in such places as it thinks appropriate at least ten (10) days prior to such meeting; provided, however, that the failure to give such notice shall neither invalidate any actions taken at said meeting or impose any liability on the Board, the Association or any of its officers or servants for failure to give such notice.

17. Consent. Whenever any provision of the Declaration, these By-Laws or the rules and regulations shall require permission of the Board, such permission shall consist of a written statement setting forth the action or activity for which such permission is granted, signed by at least three (3) members of the Board who shall have been authorized to sign such permission on behalf of the Board by a vote thereof. This action or activity for which permission is granted

shall be noted by the Secretary in the records of the Board.

ARTICLE VI -
NOMINATION AND ELECTION OF DIRECTORS

1. Election. Elections for directors shall be held annually by each Tower Association in accordance with the By-Laws of such Tower Association. Two (2) elected representatives and one (1) alternate shall be elected by each Tower Association. The candidate receiving the highest number of votes shall be elected as a director for a two (2) year term. The candidate receiving the second highest number of votes shall be elected a director for a one (1) year term. The candidate receiving the next highest number of votes shall be elected as a alternate for a one (1) year term.

2. Candidates. Candidates for election to the Board from a Building must be, in the case of the Valley Forge Tower South Condominium and the Valley Forge Tower West Condominium, a Unit Owner in such Condominium; in the case of the Valley Forge Towers North, each director shall be a person designated by the owner of that Building until such time as seventy-five percent (75%) of the Units in that Building are held in single and separate ownership.

ARTICLE VII -
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Elements and Units, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Common Elements facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed ninety (90) days for infraction of published rules and regulations; and,

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

2. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting, when such statement is requested in writing by twenty percent (20%) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(d) adopt and follow procedures for adoption and publication of Board resolutions and rules and regulations;

(e) the Association shall keep a complete record of all resolutions of the Board and make such records available for inspection by any Member;

ARTICLE VIII - OFFICERS

1. Enumeration of Offices. The executive officers of the Association shall be chosen by the Board of Directors, and shall be a President, who shall at all times be a member of the Board of Directors, a Secretary and Treasurer, and such other officers and assistant officers as the needs of the Association may require. The President and Secretary shall be natural persons of full age. The Treasurer, however, may be a corporation; but if a natural person, shall be of full age. The Board of Directors may secure the fidelity of any or all such officers by bond or otherwise.

2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

3. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to section 1 of this Article.

4. Term. The officers of the Association shall be elected annually by the Board and shall each hold office for a term of one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

5. Duties. The officers shall have such authority and shall perform such duties as are provided by these By-Laws and as shall from time to time be prescribed by the Board of Directors. The duties of the officers are as follows:

(a) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members and Board of Directors; he shall have general and active management of the affairs of the Association; he shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the Association. He shall execute bonds, mortgages, leases, deeds and other written instruments and

documents (if requiring a seal, under the seal of the Association). He shall be EX-OFFICIO a member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of President.

(b) Vice President. The Vice President, if any, shall act in all cases for and as the President in the latter's absence, inability or refusal to act, and shall perform such other duties as may be required of him from time to time by the Board of Directors.

(c) Secretary. The Secretary shall attend all sessions of the Board and all meetings of the Members and act as clerk thereof, and record all the votes of the Association and the minutes of all its transactions in a book to be kept for that purpose, and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the Association, and when authorized by the Board, affix the same to any instrument requiring it.

(d) Treasurer. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall keep the moneys of the Association in a separate account to the credit of the Association. He shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association. He shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year.

6. Delegation of Duties to Manager. Certain specific duties of the Secretary and Treasurer of the Association may be designated by the Board to a Manager designated by the Board.

7. Compensation. The compensation, if any, of officers shall be fixed by the Board of Directors.

8. Execution of Instruments. No agreement, check, deed, lease or other instrument shall be binding upon the Association unless entered into on its behalf and signed by two (2) officers of the Association; provided, however, that the Board may authorize the Manager, if any, or specified employees of the Association to execute checks and other documents without the signature of an Association officer, subject to such conditions and limitations as may from time to time be imposed by the Board.

ARTICLE IX - VACANCIES

1. If the office of any officer or agent, one or more, becomes vacant for

any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

2. Any officer or agent may be removed from office with or without cause by the Board by an affirmative vote of the majority of the entire Board whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3. In the event of any vacancy in the elected Board of Directors, the alternate from any Building shall become a voting member of the Board for the vacancy from such Building. If an alternate member has become a voting member, any further vacancy, including vacancies resulting from the death, resignation or removal of a Director, shall, be filled by appointment by the Tower Council or owner of the Building in which the vacancy has occurred and each person so appointed shall be a Director until a successor is elected at the next annual meeting of the Tower Association or at any special meeting duly called for that purpose and held prior thereto.

ARTICLE X - BOOKS AND RECORDS

1. The Association shall keep an original or duplicate record of the proceedings of the Members and the directors, the original or a copy of its By-Laws, including all amendments thereto to date, certified by the Secretary of the Association, and an original or a duplicate membership register, giving the names of the Members and showing their respective addresses and the class and other details of the membership of each. The Association shall also keep appropriate, complete and accurate books or records of account. The records provided for herein shall be kept at either the registered office of the Association in this Commonwealth or at its principal place of business wherever situated.

2. Every Member shall, upon written demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account, and records of the proceedings of the Members and directors, and to make copies or extracts therefrom at reasonable cost. The Declaration and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. A proper purpose shall mean a purpose reasonably related to the interest of such person as a Member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Member. The

demand shall be directed to the Association at its registered office in this Commonwealth or at its principal place of business wherever situated.

ARTICLE XI -
MEMBERSHIP CERTIFICATES

Membership in the Association may be evidenced by certificates of membership, in which case they shall be in such form and style as the Board of Directors may determine. The fact that the Association is a nonprofit corporation shall be noted conspicuously on the face of each certificate. They shall be signed by the President and by the Secretary, and shall bear the corporate seal.

ARTICLE XII -
TRANSACTION OF BUSINESS

1. The Association shall make no purchase of real property and shall not sell, mortgage, lease away or otherwise dispose of its real property unless authorized by a vote of five (5) of the members in office of the Board of Directors. Unless otherwise restricted in these By-Laws, no vote or consent of the Members shall be required to make effective such action by the Board. If the real property is subject to a trust, the conveyance away shall be free of trust and the trust shall be impinged upon the proceeds of such conveyance.

2. Whenever the lawful activities of the Association involve, among other things, the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Association, and in no case shall be divided or distributed in any manner whatsoever among the Members, directors or officers of the Association.

ARTICLE XIII - ANNUAL REPORT

1. The Board of Directors shall present annually to the Members a report, verified by the President and Treasurer or by a majority of the directors, showing in appropriate detail the following:

(a) The assets and liabilities, including 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 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 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 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.

This report shall be filed with the minutes of the meeting of Members.

2. At least thirty (30) days prior to the beginning of each fiscal year, the Board of Directors shall prepare and distribute to the membership of the Association, upon request, a written, itemized estimate (budget) of the expenses to be incurred by the Association during such year in performing its functions hereunder and under the Declaration. At the end of any fiscal year of the Association, the Board of Directors may determine that all excess funds remaining in the Operating Fund, over and above the amounts used for the operation of the Property, may be returned to the Members proportionately or may be retained by the Association and used to reduce the following year's Common Assessments.

ARTICLE XIV - NOTICES

1. Except as otherwise specifically provided herein, whenever written notice is required to be given to any person, it may be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex or TWX (with answerback received) or courier service, charges prepaid, or by telecopier to the address (or to the telex, TWX, telecopier or telephone number) of the person appearing on the books of the Association, or, in the case of directors, supplied by the directors to the Association for the purpose of notice; and a certificate or affidavit by the Secretary or an Assistant Secretary shall be prima facie evidence of the giving of any notice required by these By-Laws. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that person; or, in the case of telex or TWX, when dispatched; or, in the case of telecopier, when received. Delivery shall also be deemed to have been made when the notice is placed in the Member's mailbox. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these By-Laws. Except as may be otherwise specifically provided herein, when a special meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

2. Whenever any written notice is required to be given under the provisions of statute or by the Articles of Incorporation or by these By-Laws,

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a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting. In the case of a special meeting of Members, such waiver of notice shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XV -
MISCELLANEOUS PROVISIONS

1. The fiscal year of the Association shall begin on the first day of January in each year.
2. One or more persons may participate in a meeting of the Board or of the Members by means 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 section shall constitute presence in person at such meeting.
3. So long as the Association shall continue to be organized on a nonstock basis, the Board of Directors shall have authority to provide for the Members to make capital contributions in such amounts and upon such terms as are fixed by the directors in accordance with the provisions of Section 5541 of the Nonprofit Corporation Law of 1988, as amended.
4. The Board of Directors, by resolution, may authorize the Association to accept subventions from Members or non-Members on terms and conditions not inconsistent with the provisions of Section 5542 of the Nonprofit Corporation Law of 1988, as amended, and to issue certificates therefor.
5. The provisions hereof shall be deemed independent and severable, and the invalidity, partial invalidity or unenforceability of any one provision or a portion hereof shall not affect the validity or enforceability of any other portion or portions hereof unless such deletion shall destroy the uniform plan for development and operation of the Property.
6. The headings introducing the text of the several sections of these By-Laws are solely for the convenience of reference and shall not constitute part of these By-Laws or affect their meaning in any way.
7. 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 or persons or entities may require.

ARTICLE XVI -
LIABILITY AND INDEMNIFICATION

1. Directors and Officers:

(a) shall not be liable to any Member, Owner or other resident of the Property as a result of any actions taken or omitted to be taken in such capacities, for any mistake in judgment, negligence or otherwise, except for their willful misconduct or gross negligence;

(b) shall have no personal liability in contract to a Member or Owner, or to any other person or entity, under any Agreement, instrument or transaction entered into or executed by them on behalf of the Association;

(c) shall have no personal liability, direct or imputed, to a Member or Owner, or any other person or entity, by virtue of acts performed by themselves or by agents, employees or contractors employed or retained by them, on their behalf, in their official capacity, except for their own wilfulness, conduct or gross negligence; and

(d) shall have no personal liability arising out of the use, misuse or condition of the Property or any part thereof, which might in any way be assessed or imputed to them as a result, or by virtue of, their capacities as such.

2. A director of the Association shall stand in a fiduciary relation to the Association and shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following: (a) one or more officers or employees of the Association whom the director reasonably believes to be reliable and competent in the matters presented; (b) counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person; or (c) a committee of the Board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which the director reasonably believes to merit confidence. A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted. In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual directors may, in considering the best interests of the Association, consider the effects of any action upon employees, upon suppliers and customers of the Association and upon communities in which offices or other establishments of the Association are located, and all other pertinent factors. The consideration of those factors