

AMENDED AND RESTATED
BY-LAWS
OF
THE BEAVER RUN VILLAGE HOMEOWNERS' ASSOCIATION

The undersigned, being a majority of the members of the Beaver Run Village Homeowners' Association (the "Association"), a Pennsylvania nonprofit corporation which is comprised of the owners of all the Units in Beaver Run Village, a Planned Community, located in Richland Township, Bucks County, Pennsylvania and created pursuant to a Declaration of Covenants, Conditions and Restrictions recorded with the Bucks County Recorder of Deeds in Deed book 2396, page 438 which was subsequently amended by an Amended Declaration filed with the Bucks County recorder of Deeds in Deed Book 2813, page 242 and further revised by Amended Declaration No. 2 recorded in Deed Book 128, Page 429 and Amended Declaration No. 3 recorded in Deed Book 178, 434 (collectively, the "Original Declaration"); the Original Declaration was subsequently amended and restated by a Declaration adopted by a majority of the members of the Beaver Run Village Homeowners' Association on _____, 2002 and recorded with the Bucks County Recorder of Deeds in Deed Book _____, Page _____ (the "Amended and Restated Declaration"); hereby amend and restate the By-Laws of the Association as follows:

ARTICLE I. GENERAL PROVISIONS

Section 1.1. Definitions. All of the terms used herein, unless specifically defined herein, shall have the same meanings as are set forth in the Declaration.

Section 1.2. Administration of the Property and Association. The administration of the Property and the operations, regulation and management of the Association shall be governed by these By-Laws, as the same may from time to time be amended pursuant to the provisions hereof.

Section 1.3. Office. The Executive Board may maintain an office at such place as the Executive Board may determine. All costs related to the maintenance of such office shall be Common Expenses.

Section 1.4. Use of Association's Name. The name in which all contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened, and suits shall be brought and defended by the Executive Board or the officers, on behalf of and as agents for the Owners in the manner specified by the Declaration and these By-Laws, is "The Beaver Run Village Homeowners' Association."

ARTICLE II. THE ASSOCIATION

Section 2.1. Membership in the Association of Owners. Every person who acquires title to a Unit or holds title to an Existing Unit, shall automatically become a member of the Association and shall continue to be a member of the Association at all times that he or she has legal title to such Unit. Membership in the Association is an incident of ownership of a Unit and

10/31/02

may not be resigned, terminated or transferred other than by transfer of title to the Unit to which such membership is appurtenant. Transfer of title to a Unit shall automatically constitute transfer of membership in the Association, but the Association may treat the transferor Owner as the member of the Association for that Unit for all purposes hereunder until the Association or the Executive Board has actual notice of the execution and delivery of a deed to the Unit by the transferor to the transferee.

Section 2.2. Annual Meetings of the Association.

(a) Annual meetings of the Association shall be called by the President and held on the same day of the same month upon which it was held on the preceding year, at the hour of 8:00 P.M. If the day for the annual meeting is not a business day, then the annual meeting shall be held on the next succeeding business day.

(b) At the annual meetings, the Owners shall elect by ballot members of the Executive Board and may transact such other business as may properly come before the meeting.

Section 2.3. Special Meetings of the Association. The President shall promptly call a special meeting of the Association when so directed by a resolution of the Executive Board or by a petition signed by twenty-five percent (25%) of the Class A Membership. The resolution or petition shall specify in each case the purpose of such meeting. Meetings so requested shall be held not later than thirty (30) days nor earlier than ten (10) days after such request is received. No business shall be transacted at such special meeting other than as specified in the notice thereof.

Section 2.4. Notice of Meetings of the Association. The Secretary of the Executive Board shall give notice of the first meeting and each annual and special meeting of the Association to the Owners in accordance with the provisions of Section 10.1 hereof, at least fifteen (15) and not more than sixty (60) days prior to the meeting date. The notice shall specify the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these By-Laws which is to be considered at such meeting.

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

Section 2.6. Voting.

(a) Owners may cast their votes at all meetings either in person or by proxy.

(b) The persons or entities from time to time entitled to exercise the voting rights appurtenant to the Units shall be those shown at the time of reference on a voting list to be continuously maintained by the Secretary, which list shall be closed for each meeting at the close of business on the business day next preceding the meeting date. That list shall reflect the Owners of record of each Unit. However, where the purchaser of a Unit exhibits to the Secretary a fully executed agreement of sale in which the right to vote pending settlement is placed in the

purchaser, the purchaser shall be shown on the list as the Owner entitled to vote. The voting list shall be kept at the Property and may be inspected during regular business hours by any Owner or purchaser, and it shall be kept open to inspection throughout each meeting of the Owners.

Section 2.7. Quorum. The presence at a meeting in person or by proxy of the Owners of ten percent (10%) of each class of membership, shall constitute a quorum for any action, except as otherwise provided in the Amended and Restated Declaration or these By-Laws. If less than a quorum is present at any meeting, a majority of such Owners present in person or by proxy may adjourn the meeting, in which event notice of the adjourned meeting shall be given in the manner provided in Section 2.4.

Section 2.8. Acts of the Association. Except as otherwise required by the Declaration or these By-Laws, acts of the Association shall require the affirmative vote of more than one-half of all votes entitled to be cast at a meeting where a quorum is present.

Section 2.9. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically terminate upon conveyance of the Unit. Proxies shall also terminate eleven (11) months after delivery, unless extended in writing by the Unit Owner.

ARTICLE III. THE EXECUTIVE BOARD

Section 3.1. Number and Qualifications. The business, operation and affairs of the Property and of the Association shall be managed on behalf of the Owners, in compliance with and subject to the Declaration and these By-Laws, by the Executive Board. All of the members of the Executive Board who are elected by the Owners must be Owners. The Executive Board shall be composed of at least three (3) members, but no more than seven (7). The members shall have the power to increase or reduce the number of directors at any annual meeting. At no time shall there ever be less than three (3) members of the Executive Board.

Section 3.2. Powers and Duties.

(a) Subject to the limitations and restrictions contained in the Declaration or herein, the Executive Board shall on behalf of the Owners have all powers and duties necessary to administer and manage the business, operation and affairs of the Property and of the Association. Such powers and duties of the Executive Board include, but are not limited to, the following:

(i) The promulgation, distribution and enforcement of rules and regulations governing the details of the use and operation of the Property, the Common Elements and the Units (“Rules”). Copies of the Rules shall be delivered by Declarant or the Executive Board to all purchasers of Units. The Executive Board may amend the Rules from time to time. The foregoing powers of the Executive Board are subject to the right of the Owners of at least fifty-one percent (51%) of the Units (“Majority of Owners”), by a resolution

duly adopted at any meeting of Owners, to change the Rules. Copies of any amendments or changes to the Rules shall be promptly furnished by the Executive Board to each Owner.

(ii) The opening and maintaining of bank accounts on behalf of the Association and the designation of the signatures therefore, subject to the provisions of Section 1.4;

(iii) The initiation, prosecution, defense and settlement of litigation for and against the Executive Board, the Association and the Property, and the payment of any adverse judgment entered therein, provided that the Executive Board shall make no settlement which results in a liability against the Executive Board, the Association or the Property in excess of \$10,000.00, without the prior approval of a Majority of Owners;

(iv) The obtaining of insurance pursuant to the Declaration;

(v) The repair or restoration of the Common Facilities following damage or destruction of the Common Facilities, or a permanent taking of the Common Facilities or a portion thereof by the power of (or a power in the nature of) eminent domain or by an action or deed in lieu of condemnation;

(vi) The ownership, purchase, lease, holding and selling or otherwise disposing of, on behalf of the Owners, (A) items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Executive Board in the operation and management of the Property, including, without limitation, furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies, and (B) Units, pursuant to Article VIII hereof;

(vii) The borrowing of money on the credit of the Association to obtain funds for any expenditure which may be made by the Executive Board or the Association, and the assignment in connection with such borrowing of the Association's right to future income, including the right to receive Common Expense assessments.

(b) The Executive Board may appoint various committees composed of members of the Executive Board and/or Owners to make recommendations to the Executive Board with respect to the exercise of powers and duties conferred upon the Executive Board by the Declaration or these By-Laws and to which the Executive Board may delegate all of the powers referred to in Section 3.2 hereof.

(c) The Executive Board may employ a professional managing agent, at a compensation established from time to time by the Executive Board, to perform such duties and services as the Executive Board shall authorize and direct. The Executive Board may delegate to the managing agent all of the powers referred to in Section 3.2 hereof except those listed in Section 3.2(a)(i) (as regards promulgation of Rules) and Section 3.2(a)(vii) hereof, provided that except in emergency situations which threaten immediate injury or damage to persons or property, the Executive Board must authorize or approve all expenditures in excess of \$1,000 made by the managing agent prior to payment by the managing agent. The Executive Board shall enter into a written agreement with the managing agent with respect to its duties,

responsibilities and compensations. Each such agreement shall (i) be for an initial term of not longer than one (1) year, (ii) be renewable by the parties for renewal terms of not longer than one (1) year each, and (iii) be terminable by either party without cause (and without payment of any termination fee) upon thirty (30) days written notice.

Section 3.3. Intentionally deleted.

Section 3.4. Removal of Members of the Executive Board. At any regular or special meeting of Owners, any one or more of the members of the Executive Board may be removed with or without cause by the affirmative vote of Owners entitled to vote more than 50% of the votes allocable to Units owned by persons other than the Declarant, and a successor may then or thereafter be elected by a Majority of Owners to fill the balance of the term of the member of Executive Board so removed. Any member of the Executive Board whose removal has been proposed by any Owner shall be given an opportunity to be heard at the meeting.

Section 3.5. Vacancies. Vacancies in the Executive Board caused by any reason (other than the removal of a member thereof by a vote of the Owners) shall be filled by a vote of a majority of the remaining members of the Executive Board (even though less than a quorum) promptly after the occurrence of the vacancy, and each person so elected shall be a member of the Executive Board for the remainder of the term so filled.

Section 3.6. Organization Meeting of the Executive Board. An organization meeting of the Executive Board shall be called by the President and held within ten (10) business days following each annual meeting of the Association, at such time and place as the newly elected members of the Executive Board shall determine, for the purposes of organization, election of officers and such other business as may be brought before the meetings.

Section 3.7. Meetings of the Executive Board. Regular meetings of the Executive Board shall be held monthly, without notice, at such place and time as may be fixed by Resolution of the Executive Board. Special meetings of the Executive Board may be called by the President or by two or more members of the Executive Board, and held on notice by letter or telegram, mailed or transmitted not later than three (3) days prior to the meeting date, specifying the time, place and purposes of the meeting. No business may be transacted at a special meeting called by members of the Executive Board other than as specified in the notice thereof, unless all members attend or waive notice. At regular meetings called by the President, the Executive Board may transact all business within the authority of the Executive Board. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration and these By-Laws.

Section 3.8. Place of Meeting. Meetings of the Executive Board shall be held at the Property or at such other place in the vicinity of the Property as the Executive Board may specify.

Section 3.9. Waiver of Notice. Any notice of any meeting of the Executive Board may be waived by any member thereof in writing prior to, at or subsequent to the meeting, and attendance at the meeting shall constitute a waiver of notice thereof.

Section 3.10. Quorum. A majority of the members of the Executive Board then in office shall constitute a quorum at any meeting of the Executive Board, and the act of a majority of the members at which a quorum is present at the beginning of such meeting shall be the act of the Executive Board. If less than a quorum is present at the beginning of any meeting, a majority of those present may adjourn the meeting from time to time, and at any adjourned meeting at which a quorum is present any business may be transacted which could have been transacted at the meeting originally called, without further notice.

Section 3.11. Action by Written Consent. The members of the Executive Board may act by unanimous consent in writing in lieu of a meeting.

Section 3.12. Participation in Meetings by Communications Equipment. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting of the Executive Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 3.13. Compensation of Members of the Executive Board. No member of the Executive Board shall be compensated for acting as such.

Section 3.14. Attendance by Owners. Owners who are not members of the Executive Board shall have the right to receive notice of or to attend meetings of the Executive Board (provided that the Executive Board may provide that portions of each meeting shall be held without the attendance of any Owners who are not Directors). The Secretary shall give Owners notice, in accordance with Section 2.4, of each meeting of the Executive Board. At each Executive Board meeting, the attending Owners shall have the right to speak (subject to the rules of the Executive Board), but not the right to vote.

Section 3.15. Transactions with Members of the Executive Board. The Executive Board, on behalf of the Association, may enter into contracts or other transactions with members of the Executive Board or with any entity in which a member of the Executive Board is an officer or director or has a financial interest (either directly or indirectly through any spouse, parent, child or sibling). Such contracts and transactions shall be valid and enforceable obligations of the Association, provided either:

(a) if such member of the Executive Board is present at the meeting at which such contract or transaction is to be acted upon, or has knowledge that such action is contemplated, that (i) the fact that such member of the Executive Board is such an officer or director or has such a financial interest is disclosed to the Executive Board prior to the entering into of such contract or transaction, (ii) such fact is entered into the minutes of the meeting of the Executive Board at which such contract or transaction is approved, and (iii) such contract or transaction is approved in good faith by the requisite number of votes (counting such member of Executive Board as present for purposes of determining a quorum but not for purposes of determining approval); or

(b) if such member of the Executive Board is not present at such meeting and does not have knowledge of the pendency of the contemplated contract or transaction, such contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized and approved.

ARTICLE IV. OFFICERS

Section 4.1. Number and Qualifications. The officers of the Executive Board and of the Association shall include a President, Treasurer, Secretary and a Chairman of the Executive Board, and may include such other assistant officers as the Executive Board may from time to time determine.

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

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

Section 4.4. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Executive Board.

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

Section 4.6. Treasurer. The Treasurer shall be the chief financial officer of the Association. He or she shall have charge and custody of the funds of the Association. The Treasurer shall keep detailed books and records of all assets, liabilities, receipts and expenditures of the Executive Board and of the Association. Such records shall specify and itemize the maintenance, repair and replacement expenses of the Common Elements and any other expenses incurred. He or she shall keep an accurate record of assessments against Units for Common Expenses and of the payment thereof by each Owner. Pursuant to Section 1.4 hereof, he or she shall deposit the funds of the Association in the name of the Association in such depositories as the Executive Board may from time to time designate. He or she shall render to the Executive Board on request an accounting of all his or her transactions as Treasurer and of the financial condition of the Association, and in general he or she shall have the powers and duties customarily vested in chief financial officers. The Treasurer shall present an annual financial report for the preceding fiscal year at each annual meeting of Owners. The Treasurer and any other employee or agent of the Association handling Association funds may be required to

furnish a bond if so required by the Executive Board, the cost of which bond shall be a Common Expense.

Section 4.7. Secretary. The Secretary shall be responsible for giving any requisite notice to Owners and to members of the Executive Board, and for keeping the minutes of all meetings of the Association and of the Executive Board. He or she shall maintain records containing the calls, notices, waivers of notice and minutes of all meetings of the Association and of the Executive Board, all proxies to vote at meetings of the Association and all written consents of the Executive Board. The Secretary shall maintain the voting list required by Section 2.7(b) of these By-Laws, a list of all holders of mortgages and a list of all addresses submitted for notice purposes pursuant to the Declaration or these By-Laws. The Secretary shall be the custodian of all the books and records of the Association other than those whose custody is placed herein in the Treasurer, and in general shall have the powers and duties customarily vested in Secretaries.

Section 4.8. Compensation of the Officers. No officer or assistant officer of the Association shall be compensated for acting as such.

Section 4.9. Execution of Instruments. No agreement, deed, lease or other instrument shall be binding upon the Association unless entered into by the Executive Board and signed by two officers of the Association, or by one officer and by one assistant officer or other person designated by the Executive Board, provided that one of the officers so signing must be either the President or Secretary. Any two officers or members of the Executive Board may prepare, execute, certify and record amendments to the Declaration or these Bylaws on behalf of the Association.

ARTICLE V. LIABILITY

Section 5.1. Liabilities of Individual Owners. Individual Owners and any lessees or sublessees of a Unit shall be jointly and severally liable for liabilities arising out of their own conduct or arising out of the ownership, occupancy, use, misuse or condition of the Unit or the Common Facilities.

Section 5.2. Language Concerning Liability in Agreements. Every agreement, deed, lease or other instrument entered into by the Executive Board on behalf of the Association shall provide that the Executive Board and the officers or assistant officers executing the same are acting only as agents for the Owners and shall have no personal liability thereunder (except to the extent, if any, that they may also be Owners at the time any such liability is assessed).

Section 5.3. Costs of Suit in Actions Brought by One or More Owners on Behalf of All Owners. If any action is brought by one or more but less than all Owners on behalf of all Owners, and recovery is had therein, the plaintiff's expenses, including reasonable counsel fees, shall be a Common Expense, but only to the extent that such expenses are less than the amount recovered on behalf of the Association. If, however, such action is brought against the Association or otherwise against all other Owners or against the Executive Board, the officers, assistant officers, employees or agents thereof in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the plaintiff's expenses,

including counsel fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

Section 5.4. Noncompliance and Waiver. Any failure or any threatened failure to comply with the Declaration or the covenants, conditions and restrictions set forth in the deed to each Unit shall be grounds for an action for the recovery of damages (including the costs of the Executive Board' taking any action necessary to correct or remedy any such failure, including reasonable counsel fees) or for injunctive relief, or both, maintainable by any member of the Executive Board on behalf of the Executive Board or the Association, or, in a proper case, by an aggrieved Owner or by an Eligible Mortgagee aggrieved by any such non-compliance. The Executive Board shall have the right to do any work and take any steps necessary to correct or prevent any failure or threatened failure to so comply, with the right by itself or its agents or employees to enter any Unit at all reasonable times to do so. The expenses thereof, and of any action undertaken by the Executive Board pursuant to Section 6.3, together in each case with interest at the lesser of 15% per annum or the legal rate then allowed, shall be promptly assessed by the Executive Board against the Owner and shall be collectible and enforceable in accordance with the provisions of Article VI hereof. No restriction, condition, obligation or provision contained in the Declaration, these By-Laws or in the deed to any Unit shall be deemed to have been abrogated or waived by reason of any failure, single or repeated, to enforce the same.

ARTICLE VI. COMMON EXPENSES AND ASSESSMENTS.

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

Section 6.2. Determination of Common Expenses. The Executive Board shall hold annual budget meetings during November of each year. At the annual budget meetings, the Executive Board shall determine the estimated Common Expenses for the ensuing fiscal year, which determination shall be reflected in an appropriate budget, and the Common Expenses incurred and the income, if any, known and anticipated to be received during the then current fiscal year. Such determination of expenses and budgets shall include, without limitation, such amounts as the Executive Board deems proper to provide adequate working capital, a general operating reserve, and reserves for replacements, casualty losses in excess of insurance coverage, litigation, uncollectable assessments, contingencies and the like. The reserve for maintenance, repair and replacement of the Common Elements which require periodic replacement shall be separately maintained on the Association's books, and shall be funded at least annually out of regular Common Expense assessments and, at the Executive Board' discretion, from the initial capital contributions made by purchasers of Units to the Association. To the extent the Executive Board from time to time may deem necessary, the Executive Board may also make interim determinations of anticipated Common Expenses between such regular annual determinations, and adopt revised budgets accordingly. The adoption of any such revised budget shall not require a special budget meeting of the Executive Board, but may be enacted at any regular meeting of the Committee.

Section 6.3. Assessment of Common Expenses. Promptly following the adoption of the annual budget and each revised budget, the Executive Board shall assess against each Unit its share of the Common Expenses theretofore incurred or budgeted estimated future Common

Expenses chargeable to each Unit. All such assessments shall be in writing and, together with a copy of the annual budget, shall be promptly given to each affected Owner in the same manner as is provided in the case of notice given pursuant to these By-Laws. The Owners shall be severally but not jointly liable for the payment of such assessments. Assessments and any installments thereof, together with interest thereon at the lower of the rate of 15% per annum or the maximum legal rate permitted to be charged therefore from the date which is ten (10) days after the date on which payment is due, shall constitute a charge against such Unit until fully paid. Assessments for annual budgets may be collected in one annual installment or in monthly installments, as the Board shall elect, and any special assessments for a revised budget may in the Board of Director's sole discretion be collected in a lump sum or in monthly assessments. Whenever assessments shall be payable in installments, interest shall accrue only on installments which are ten (10) or more days delinquent, as aforesaid. In the event that any installment of any assessment shall be past due for more than thirty (30) days, the remaining unpaid balance of such assessment, plus interest as aforesaid, shall, at the option of the Executive Board, become immediately due and payable in full. The Owner's liability for any assessments under this Article VI shall not be abated due to any interruption in his or her right of occupancy of his or her Unit, or any interruption in the delivery of any services to the Owners or his or her Unit or for any other reason whatsoever, except as otherwise specifically set forth in this Article VI.

Section 6.4. Collection of Delinquent Assessments. It shall be the obligation of the Executive Board to take prompt action to collect assessments (together with accrued interest as aforesaid) which remain unpaid after thirty (30) days from the date on which they became due and payable as determined by the resolution pursuant to which they were made. Any delinquent assessment together with accrued interest thereon may be collected by suit initiated by the Executive Board acting on behalf of the Association, including without limitation the delinquent Owner. The suit shall refer to the Unit against which the assessment is made and to the delinquent Owner, and shall be indexed by the prothonotary as *lis pendens* against the Unit. Any judgment against a Owner shall be enforceable as provided by law. The delinquent Owner shall be obligated to pay all expenses of the Association incurred in the collection of the delinquent assessment by legal proceedings or otherwise, including reasonable counsel fees. Any amounts paid by the Association for taxes for the Unit or on account of superior liens or otherwise to protect the Association's lien, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

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

(a) AS A MEANS OF ENFORCING THE OBLIGATION OF THE OWNERS TO PAY ALL ASSESSMENTS LEVIED PURSUANT TO THE DECLARATION AND THESE BY-LAWS, THE EXECUTIVE BOARD SHALL HAVE THE RIGHT AND POWER TO OBTAIN A JUDGMENT OR JUDGMENTS FOR DELINQUENT ASSESSMENTS BY CONFESSION AGAINST THE OWNER AGAINST WHOM SUCH DELINQUENT ASSESSMENTS HAVE BEEN LEVIED. ACCORDINGLY, EACH OWNER, BY HIS OR HER ACCEPTANCE OF THE DEED TO HIS OR HER UNIT, SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE MEMBERS OF THE EXECUTIVE BOARD THE ATTORNEY-IN-FACT FOR SUCH OWNER TO CONFESS A JUDGMENT AGAINST SUCH OWNER IN ANY COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF

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

(b) The Executive Board shall not exercise its right to obtain a judgment by confession (i) against any institutional lender who had acquired title to a Unit by foreclosure sale or deed in lieu of foreclosure, or (ii) against any Owner until the Executive Board shall have given the delinquent Owner at least five (5) days notice of its intention to do so.

Section 6.6. Initial Capital Contribution. Each person who purchases a New Unit from the Declarant shall contribute at the time of conveyance of such Unit to such Purchaser as working capital for the Association an amount as set forth in the Declaration. Such amount shall constitute a non-refundable capital contribution to the Association, to be used to pay start-up expenses of the Association, to prepay certain expenses of the Association (such as insurance premiums) and to provide an initial reserve against unanticipated expenses, and shall not be credited as an advance payment of Common Expenses.

Section 6.7. Budget. The Executive Board shall adopt the budgets for Common Expenses, as described in this Article, for the period commencing on January 1 of the particular year at issue and ending on the last day of the fiscal year during which such commencement date occurs.

Section 6.8. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a Common Expense budget for any fiscal year shall not constitute a waiver or release in any manner of a Owner's obligation to pay his or her allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner shall continue to pay each annual assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 6.9. Statement of Common Expenses. The Executive Board shall promptly provide any Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from each Owner. The Executive Board may impose a reasonable uniform charge for the preparation of such statement and/or certificate and the reproduction of such documents in order to cover the cost of such preparation and reproduction.

ARTICLE VII. MAINTENANCE OF THE PROPERTY

Section 7.1. Maintenance and Repair of the Property.

(a) All Unit maintenance and repairs, structural or non-structural, ordinary or extraordinary shall be made by the Owner at the Owner's sole expense.

(b) All maintenance, repairs and replacements necessary to keep the Common Facilities in a good and orderly state of repair and cleanliness shall be made by the Executive Board and charged to all Owners as a Common Expense. Pursuant to resolution duly adopted, and except as otherwise provided in these By-Laws, the Executive Board may arrange for any additions, alterations, improvements, maintenance and repairs to the Common Facilities it deems necessary or desirable. In each case where the cost of any single item of addition, alteration, improvement or non-essential maintenance or repair is estimated by the Executive Board to exceed \$5,000.00, the Executive Board must obtain the prior approval of more than one-half of all votes entitled to be cast at a meeting of Owners where a quorum is present.

(c) Each Owner shall keep his or her Unit in good and orderly state of repair and cleanliness and in a safe condition.

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

Section 7.2. Liability of Owners for Damage Caused to Common Facilities. Each Owner shall be liable to the Association for all damage to any of the Common Facilities, whether within or outside his or her Unit, and to any fixtures or personal property contained within the Common Facilities, caused by the act, omission or negligence of the Owner, his or her family, domestic employees, lessees or occupants of his or her Unit, to the extent not covered by the proceeds of any insurance carried by the Association.

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

ARTICLE VIII. OWNERSHIP OF UNITS BY THE ASSOCIATION.

Section 8.1. Purchase of Units by the Association. Except as otherwise stated herein, the Executive Board, on behalf of the Association, in its own name or the name of its designee, may only purchase or otherwise acquire and hold title to any Unit or any interest therein as a result of (i) enforcement of its lien for assessments, or (ii) execution upon a judgment obtained in order to collect a delinquent assessment. The Association may borrow all or part of the funds necessary to effect any such purchase and may create a mortgage against the Unit to secure the

borrowing. So long as the Association is the owner of any Unit so purchased, the Association shall have the power, in its own name or in the name of its nominee, to hold, sell, convey, lease, mortgage as aforesaid and otherwise deal in and with the Unit, and in so doing it shall be acting on behalf of all other Owners.

Section 8.2. Effect of Ownership of Units by the Association. During any period when the Association has legal or beneficial title to a Unit:

(a) all assessments for Common Expenses and all taxes, municipal claims and charges assessed against the Unit shall be paid by the Executive Board, and the amounts so paid, together with all other expenses of purchasing, holding, selling, conveying, mortgaging, leasing or otherwise dealing with the Unit, shall constitute a Common Expenses to be assessed equally against all other Owners;

(b) the voting rights appurtenant to the Unit shall be suspended and may not be exercised or counted for quorum purposes;

(c) no notice of any meetings of the Association or of the Executive Board or notice of assessments, budgets or the like need be given in respect to that Unit; and

(d) the rights and obligations of Owners in the event of a termination pursuant to the Declaration shall be construed, allocated and borne as if such Unit were not included in the Property.

ARTICLE IX. BOOKS, RECORDS AND REPORTS.

Section 9.1. Maintenance of Books and Records. The Executive Board shall maintain or cause the proper committees, officers or managing agents to maintain complete, accurate and current books and records, fully reflecting the operations, proceedings and financial condition of the Executive Board and the Association and the operation and condition of the Property. Such books and records shall include without limitation the books and records to be maintained by the Treasurer under Section 4.6 and the Secretary under Section 4.7 of these By-Laws and the voting list to be maintained by the Secretary under Section 2.7 of these By-Laws.

Section 9.2. Access to Books and Records. The books and records of the Association shall be kept at the Property or at such other location in the vicinity of the Property as the Executive Board may from time to time determine, and upon reasonable written notice shall be available for examination during regular business hours by the Owners, by persons who have entered into binding written agreements to purchase Units, and by Eligible Mortgagees.

ARTICLE X. MISCELLANEOUS.

Section 10.1. Notices. All notices hereunder shall be sent by first class mail, postage paid, addressed as follows: (i) if to the Executive Board, at the Property or at such other address (including without limitation the address of any managing agent) as the Executive Board may from time to time designate by written notice to all Owners and Eligible Mortgagees; (ii) if to the

Association, in care of the Executive Board at its address as specified in clause (i) above; (iii) if to the Owners, at their respective addresses within the Property, or at such other addresses as they may from time to time designate by written notice to the Executive Board; and (iv) if to the Eligible Mortgagees, at their addresses on the register to be maintained by the Secretary, or at such other addresses as they may from time to time designate by written notice to the Executive Board. All notices of meetings of the Association or of the Executive Board which may or are required to be given to Owners may also be hand delivered to the Owners. All notices of change of address shall be deemed to have been given when received.

Section 10.2. Effective Date. These amended and restated By-Laws shall become effective when the Amended and Restated Declaration, dated the same date as these By-Laws, has been duly entered of record in the Office of the Recorder of Deeds for Bucks County.

Section 10.3. Headings. The headings and table of contents are for reference purposes only and shall not affect the meaning or interpretation of these By-Laws. Provided that Declarant shall have first consented in writing in the case of any amendment which would affect the rights of Declarant to designate members of the Executive Board pursuant to the Amended and Restated Declaration (so long as Declarant is the owner of any one or more Units not theretofore sold by Declarant to others), or would otherwise have a material effect upon any of the rights, powers, privileges or options afforded Declarant hereby.

Section 10.4. Invalidity. If any provisions of these By-Laws are determined to be invalid, the determination shall not affect the validity or effect of the remaining provisions hereof or of the Amended and Restated Declaration, Plans or Rules, all of which shall continue in effect as if such invalid provisions had not been included herein.

Section 10.5. Conflicts. The Amended and Restated Declaration shall control in the case of any conflict between the provisions thereof and the provisions of these By-Laws. The Amended and Restated Declaration and these By-Laws shall control in the case of any conflict between the provisions thereof and the provisions of the Rules.

Section 10.6. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

ARTICLE XI. AMENDMENTS.

Section 11.1. Amendments. These By-Laws may be amended from time to time by resolution duly adopted at any meeting of Owners, by the affirmative vote of a Majority of Owners, provided that the Declarant shall have first consented in writing in the case of any amendment which would affect the rights of the Declarant to designate members of the Executive Board pursuant to the Amended and Restated Declaration (so long as the Declarant is the owner of any one or more Units not theretofore sold by the Declarant to others), or would otherwise have a material effect upon any of the rights, powers, privileges or options afforded the Declarant hereby. Each such amendment shall be effective upon the adoption of such amendment in accordance with the provisions of this Section 11.1.

THESE AMENDED AND RESTATED BY-LAWS ARE HEREBY ADOPTED, this
___ day of _____, 2002.

Beaver Run Village, L.P.,
a Pennsylvania limited partnership (in its
capacity as Declarant and owner of 83% of
the total votes in the Association)
By: Beaver Run Village, Inc.,
its general partner

Attest: _____
(Asst.) Secretary

By: _____
(Vice) President

JOINDER AND APPROVAL

The undersigned, being the President of the Association and having been authorized by the Board of Directors of the Association, hereby approves, on behalf of the Association, the terms of this Amended and Restated Declaration and acknowledge that this Declaration shall replace and supersede the Original Declaration.

Witness:

BEAVER RUN VILLAGE
HOMEOWNERS' ASSOCIATION

By: _____
Kathleen M. Doyle, President