

BY-LAWS
OF
FOX WAY COMMONS ASSOCIATION

ARTICLE I

PURPOSES AND RESTRICTIONS

Section 1.1 The Purposes of the Association shall be those non-profit purposes stated in the Articles of Incorporation, as may be amended. No part of the net earnings or other assets of the Association shall inure to the benefit of, be distributed to or among, or revert to, any director, officer, contributor or other private individual having, directly or indirectly, any personal or private interest in the activities of the Association, except that the Association may pay reasonable compensation for services rendered and may make payments and distributions in furtherance of the non-profit purposes stated in the Articles of Incorporation.

ARTICLE II

OFFICES

Section 2.1 The Association may have offices at such places as the Board of Directors may from time to time determine.

ARTICLE III

VOTING MEMBERS

Section 3.1 There shall be an annual meeting of the Voting Members on December 10 in each year if not a legal holiday, and if a legal holiday, then on the next business day following, at 5:00 P.M. No notice of such meeting shall be necessary in order to legally constitute the meeting provided a quorum shall be present.

Such meeting shall be held at the office of the Association, if any, or at such other place as shall be fixed by resolution of the Board of Directors.

Section 3.2 The Grantor (as defined in Section 1.10 of the Declaration of Covenants and Restrictions for Fox Way Commons dated December 5, 1994, (the "Declaration") shall be entitled to one vote for each Dwelling Unit (as defined in Section 1.8 of the Declaration) or vacant parcel it owns or controls. Each Voting Member (as defined in Section 1.15 of the Declaration) shall be entitled to one vote for each Dwelling Unit owned by such Voting Member.

ARTICLE IV

DIRECTORS

Section 4.1 The Board of Directors shall manage and direct the business of the Association as set forth in the Declaration.

Section 4.2 The number of directors which shall constitute the Board of Directors shall be no less than three (3) or more than seven (7).

Section 4.3 The initial Board of Directors will be appointed by the Grantor. Other than directors serving on the first Board of Directors, directors shall be elected by the Voting Members at the annual meeting of the Voting Members. The persons receiving the highest number of votes will be elected to the available directorships as determined by the Board of Directors. All directors appointed by the Grantor shall serve until at least

the earlier of One Hundred Eighty days (180) after the substantial completion of the last Dwelling Unit or the sale of the last Dwelling Unit of Fox Way Commons. Each elected director shall serve until the next succeeding annual meeting of Voting Members and until his successor shall have been elected and qualified. The first Board of Directors shall hold office until the first annual meeting of Voting Members. Directors may succeed themselves without limitation.

Section 4.4 The directors may hold their meeting and keep the books of the Association at the principal business office of the Association, if any, or at such other place as they may from time to time determine and as may be permitted by law.

Section 4.5 A director may resign by giving written notice to the President. If the office of a director becomes vacant for any reason, including resignation or removal, the remaining directors shall choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred or until the next election of directors.

Section 4.6 There shall be an annual meeting of the newly elected Board of Directors immediately following the annual meeting of the Voting Members. Regularly scheduled meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the board.

Section 4.7 Special meetings of the board may be called by the President on the written request of two (2) directors on two

(2) days notice to each director, either personally or by mail or by telegram.

Section 4.8 At all meetings of the board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute. If a quorum shall not be present at any meeting of directors, the directors present may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 4.9 Members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

ARTICLE V

OFFICERS

Section 5.1 The officers of the Association shall be a president, a vice president, a secretary and a treasurer, all of whom shall be members of the Board of Directors and chosen by the Board of Directors at its annual meeting.

Section 5.2 Any two or more offices may be held by the same person, except the office of president.

Section 5.3 The board may appoint such other officers, and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 5.4 The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative majority vote of the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

PRESIDENT

Section 5.5 The President shall preside at all meetings of the directors at which he is present. He shall perform such duties as the Board of Directors may prescribe and shall see that all orders and resolutions of the board are carried into effect.

VICE PRESIDENT

Section 5.6 The vice president, if any, shall, in the absence or disability of the president perform the duties and exercise the powers of the president, and shall perform such other duties as the Board of Directors may prescribe.

SECRETARY

Section 5.7 The secretary shall keep or cause to be kept a record of all meetings of the Board of Directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall give, or cause to be given, notice of all special meetings 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.

TREASURER

Section 5.8 The treasurer shall have the custody of the funds and securities of the Association, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors and shall perform such other duties as the Board of Directors may prescribe.

Section 5.9 The treasurer shall prepare an annual operating budget and financial report for the Association.

Section 5.10 The treasurer 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.

ARTICLE VI

NOTICES

Section 6.1 Whenever, under the provisions of the statutes, the Articles of Incorporation, or these By-laws, notice is required to be given to any director, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in the post office or in a letter box, in a postage-paid sealed wrapper, addressed to such director at such notice shall be deemed to be given at the time when the same shall be thus mailed.

Article 6.2 Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VII

LIABILITY OF DIRECTORS AND OFFICERS

Section 7.1 Liability of Directors. Except for responsibility or liability of a Director pursuant to any criminal statute or for payment of taxes pursuant to local, state or Federal law, a Director of the Association shall not be personally liable for monetary damages for any action taken or any failure to take any action unless (a) such Director has breached or failed to perform his fiduciary duties as provided in section 7.2 hereof and (b) the

breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

Section 7.2 Director's Fiduciary Duties. A Director of the Association shall stand in a fiduciary relation to the Association and shall perform his duties as a Director (including as a member of any committee of the Board) in accordance with the standards set forth in Section 511(a) of the Associations Code, 15 Pa. C.S.A. Section 511(a), as the same may be amended from time to time. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interest of the Association.

Section 7.3 Liability of Directors and Officers. As provided in 42 Pa. C.S.A. Section 8332.2 and so long as the Association is qualified under section 528 of the Internal Revenue Code, no Director or officer of the Association who serves without compensation, other than reimbursement for actual expenses, shall be liable for any civil damages as a result of any acts or omissions relating solely to the performance of his duties as a director or officer, unless (a) the conduct of such Director or officer falls substantially below the standards generally practiced and accepted in like circumstances by similar persons performing the same or similar duties and (b) it is shown that the Director or officer did an act or omitted doing an act which he was under a recognized duty to another to do, knowing or having reason to know

that the act or omission created a substantial risk of actual harm to the person or property of another.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 Right to Indemnification. In the event a representative was, is or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, because he is or was a representative or because he is or was serving as a representative of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise on behalf of the Association, the Association (a) shall indemnify a representative who has been successful on the merits or otherwise in defense of any such action, suit or proceeding or in defense of any claim, issue or matter therein, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him even if he has not been successful on the merits in other than a derivative suit, if he acted in good faith and in a manner he reasonable believed to be in or not opposed to the best interests of the Association (and, in the case of a criminal proceeding, has no reason to believe his conduct was unlawful); and (c) may indemnify a representative for expenses (including attorneys' fees) actually and reasonably incurred by him in a suit by or in behalf of the Association (derivative suit) even if he is unsuccessful on the merits, if he acted in good faith and

in a manner he reasonably believed to be in or not opposed to the best interest of the Association and is not adjudged to be liable for willful misconduct or recklessness in the performance of his duty to the Association.

Section 8.2 Required Determination. Any indemnification under Section 8.1 (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that the indemnification of the representative is proper in the circumstances because he has met the applicable standard of conduct set forth in section 8.1. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable directs, by independent legal counsel in a written opinion.

Section 8.3 Advances for Expenses. Expenses incurred by or imposed upon a representative in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article.

Section 8.4 Nonexclusivity and Nonduplication. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person

seeking indemnification may be entitled under any other by-law, agreement, vote of members or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Notwithstanding any other provisions set forth in this Article, the indemnification authorized and provided hereby shall be applicable only to the extent that any such indemnification shall not duplicate indemnification or reimbursement which such person has received or shall receive otherwise than under this Article.

Section 8.5 Preservation of Rights. No amendment or repeal of this Article shall adversely affect any right or protection extended to a representative hereunder for an act or failure to act occurring prior to the time of such amendment or repeal. Each representative shall be deemed to act in such capacity in reliance upon the rights of indemnification and advancement of expenses hereunder. The rights to indemnification and advancement of expenses hereunder shall continue as to a person who has ceased to be a representative and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 8.6 Insurance or Other Funding. The Association may create a fund of any nature which may, but need not be, under the control of a trustee or otherwise secured or may insure in any manner its indemnification obligations, whether arising hereunder or otherwise. The Association may purchase and maintain insurance on behalf of any person who is or was a representative of the Association or is or was serving at the request of the Association

as a representative of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise against any liability asserted against him and incurred by or imposed upon him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article or otherwise, upon such terms and conditions as the Association may deem requisite including a requirement that any such person must contribute a portion or all of the cost of maintaining such insurance.

Section 8.7 Definitions As used in this Article, references to the "Association" include all constituent corporations absorbed in a consolidation, merger or division, as well as the surviving or new corporations surviving or resulting therefrom, so that any person who is or was a representative of such a constituent, surviving or new corporation, or is or was serving at the request of such constituent, surviving or new corporation as representative of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving or new corporation as he would if he had served the surviving or new corporation in the same capacity. As used herein, references to a "representative" shall include without limitation any director, officer, Voting Member, employee or agent.

ARTICLE IX

MISCELLANEOUS

CHECKS

Section 9.1 All checks or demand for money and notes of the Association shall be signed by such officer or officers, or such other person or persons as the Board of Directors may from time to time designate.

FISCAL YEAR

Section 9.2 The fiscal year of the Association shall begin the 1st day of January in each year.

SEAL

Section 9.3 The Association shall have a seal.

Section 9.4 Annual Report. The President and Treasurer shall present an annual report to the Board of Directors at its annual meeting showing in appropriate detail the assets and liabilities of the Association at the end of the immediately preceding fiscal year, principal changes in such assets and liabilities during such fiscal year, and revenues and disbursements of the Association.

Section 9.5 Books and Accounts Books and accounts of the Association shall be kept under the direction of the Treasurer of the Association.

Section 9.6 Execution of Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or a vice President and attested to by the Secretary, Treasurer or an Assistant Secretary or Assistant Treasurer.

Section 9.7 Fidelity Bonds. Fidelity Bonds will be required for all officers and employees of the Association having custody or control of corporate funds. The Association shall obtain and pay the premiums on the Fidelity Bonds.

ARTICLE X
ALTERATION, AMENDMENT OR REPEAL
OF BY-LAWS

Section 10.1 These by-laws may be altered, amended or repealed at any regular meeting of the Voting Members or at any special meeting of the Voting Members if notice of the proposed alteration, amendment or repeal be contained in the notice of such special meeting, by the affirmative vote of a two-thirds of the Voting Members.

Adopted: _____

SPECIAL MEETING
BY UNANIMOUS WRITTEN CONSENT OF DIRECTORS
OF
FOX WAY COMMONS

The undersigned, being all the directors of Fox Way Commons Association (the "Association"), a Pennsylvania nonprofit corporation, hereby adopt the following resolutions by unanimous written consent in accordance with Section 355.145 of the General Nonprofit Corporation Law of Pennsylvania:

RESOLVED, that the following persons are elected to the offices of this Association set opposite their respective names, to serve in accordance with the Bylaws of this Association, and at the discretion of the Board until their respective successors are elected and qualify or until their earlier resignation or removal:

John A. Johnston	President
Rebecca L. Flora	Vice President
Christa D. Washington	Secretary-Treasurer

RESOLVED, that the Annual General Assessment shall be Six Hundred Sixty Dollars (\$660.00) for each Dwelling Unit and shall remain at such level until changed in accordance with the procedure set forth in the Declaration of Covenants and Restrictions of Fox way Commons, as amended (the "Declaration") (all capitalized terms as defined in said Declaration).

*\$ 55 / no
7/05
\$ 65*

Dated and effective as of December 5, 1994.

John A. Johnston
Rebecca L. Flora
Christa D. Washington
Cynthia T. Esser
George Sliman

ALL THE DIRECTORS