

BYLAWS
OF
THE RECREATION ASSOCIATION
FOR
THE PLANNED COMMUNITIES AT BELLEVUE PARK

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ARTICLE I

Introductory Provisions

1.1. Applicability. These Bylaws provide for the governance of the Recreation Association created by the recording of the Declaration of Recreation Association for the Planned Communities at BelleVue Park, in the office of Recorder of Deeds of Butler County, Pennsylvania at Deed Book Volume ____, page ____, pursuant to the requirements of Section 5306 of the Pennsylvania Uniform Planned Community Act ("the Act").

1.2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration of the Recreation Association or, if not defined therein, the meanings specified or used for such terms in the Act.

1.3. Compliance. Pursuant to the provisions of the Act, every Lot Owner and all Persons entitled to occupy a Lot shall comply with these Bylaws.

1.4. Office. The office of the Master Association and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

ARTICLE II

The Recreation Association

2.1. Composition. The Recreation Association is hereby organized on the date hereof as an **unincorporated** association. The Recreation Association shall consist of all of the Lot Owners of the planned communities which are known as "WESTMINSTER ESTATES", "STRATFORD PARK / PADDINGTON SQUARE" and "EDMONTON COMMONS" The Recreation Association shall have the responsibility of administering the Property, establishing the means and methods of collecting assessments and charges, arranging for the management of and performing all of the other acts that may be required or permitted to be performed by the Recreation Association pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board or Managing Agent as more particularly set forth in these Bylaws.

2.2. Annual Meetings. An annual meeting of the Recreation Association shall be held each year in the same month as the first annual meeting of the Lot Owners at a date and time to be designated by the Executive Board. At such annual meetings, the Executive Board,

whose members are to be elected in accordance with the Bylaws of the Sub-Associations, may transact such business as may properly come before the meeting.

2.3. Place of Meetings. Meetings of the Recreation Association shall be held at the principal office of the Recreation Association or at such other suitable place convenient to the Lot Owners as may be designated by the Executive Board.

2.4. Special Meetings. The President shall call a special meeting of the Recreation Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Lot Owners entitled to cast at least 25% of the votes in the Recreation Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within 45 days after receipt by the President of said resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure pursuant to Section 5.9 below, such meeting shall be held within 15 days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

2.5. Notice of Meetings. The Secretary shall give to each Lot Owner a notice of each annual or regularly-scheduled meeting of the Recreation Association at least twenty but not more than sixty days, and of each special meeting of the Lot Owners at least ten but not more than forty-five days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this Section and Section 9.1 of these Bylaws shall be considered service of notice. The Notice of Meeting must state the time and place of the meeting, the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget or assessment changes and any proposal to remove an executive board member or officer.

2.6. Adjournment of Meetings. If at any meeting of the Recreation Association a quorum is not present, Lot Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.

2.7. Voting.

(a) In General. Voting at all meetings of the Recreation Association shall be on a Lot basis, with each Lot Owner entitled to one (1) vote.

(b) Multiple Owners. Where the ownership of a Lot is in more than one Owner, the Owner who shall be entitled to cast the vote of such Lot shall be the Owner named in a certificate executed by all of the Owners of such Lot and filed with the Secretary (the "Designated Owner"). Such certificate shall be valid unless revoked by a subsequent certificate similarly executed. In the absence of such named Designated Owner from the

meeting, the Owner who shall be entitled to cast the vote of such Lot shall be the Owner owning such Lot who is present. If the Designated Owner is not present, and more than one other Owner or Owners owning such Lot is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 5310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. Any certificate executed by all Lot Owners shall be valid until revoked by a subsequent certificate similarly executed. Except where execution by owners of a Lot in the same manner as a deed is required, and subject to the provisions of the Act, the Declaration and these Bylaws, wherever the approval or disapproval of a Lot Owner is required by this subpart, the Declaration or the Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Lot at any meeting of the Recreation Association.

(c) Ownership by an Entity other than an Individual. If the Owner of a Lot is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to cast the vote for such Lot shall be the person named in a certificate executed by such entity pursuant to its governing documents. If the Owner of a Lot is a trust, the trustee or trustees shall be deemed to be the Owner for the voting purposes, however the Trustees shall designate one Trustee to cast the vote of such Lot. The natural person who shall be entitled to cast the vote of such Lot shall be the person named in a certificate executed by all of the Owners of such Lot and filed with the Secretary or, in the absence of such named person from the meeting of the failure to execute and file such a certificate, the person who shall be entitled to cast the vote of such lot shall be the person owning such Lot who is present. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with their unanimous agreement unless the declaration expressly provides otherwise. There shall be deemed to be unanimous agreement if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Except where execution by Owners of a Lot in the same manner as a deed is required, and subject to the provisions of the Act, the Declaration and these Bylaws, wherever the approval or disapproval of a Lot Owner is required by this subpart, the Declaration or the Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Lot at any meeting of the Recreation Association.

(d) Votes Required. Except where a greater number is required of members of the Executive Board and except where a greater number is required by the Act, the Declaration or these Bylaws, the Owners of more than fifty (50%) percent of the aggregate number of Lots, voting in person or by proxy at one time at a duly convened meeting at which a quorum is present, is required to adopt decisions at any meeting of the Recreation Association.

(e) Declarant's Votes. If the Declarant owns or holds title to one or more Lots, the Declarant shall have the right at any meeting of the Recreation Association to cast the votes to which such Lot or Lots are entitled.

(f) Recreation Association Votes No votes allocated to a Lot owned by the Recreation Association may be cast.

(g) Cumulative and Class Voting. There shall be no cumulative or class voting.

2.8. Election by Mail. All matters which might be voted upon at a meeting of the Lot Owners may also be submitted, at the election of the Executive Board, to the Lot Owners by a mail ballot. The Executive Board shall prepare for distribution an official ballot form and shall circulate a ballot to each Lot Owners authorized to vote pursuant to paragraph 2.7 above as if a meeting were being held on the date of the ballot. All Lot Owners shall be required to execute the ballot unless a certificate has been filed with the Secretary naming Designated Owner. Ballots shall be distributed and counted in accordance with Rules and Regulations to be adopted by the Executive Board.

2.9. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Lot Owner or in case of multiple Owners, by the Designated Owner, in favor of only another Lot Owner, a Permitted Mortgagee or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

2.10. Quorum. Except as set forth below, the presence in person or by proxy of Lot Owners of one-third (1/3) or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Lot Owners Recreation Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Recreation Association if persons entitled to cast ten (10%) percent of the votes are present in person or by proxy at the beginning of the meeting.

2.11. Conduct of Meetings. The President (or in his absence, the Vice-President) shall preside over all meetings of the Recreation Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring at each meeting. The President may appoint a person to serve as parliamentarian at any meeting of the Recreation Association. The then current edition of Robert's Rules of

Order shall govern the conduct of all meetings of the Recreation Association when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

ARTICLE III

Executive Board

3.1. Number and Qualification. The affairs of the Recreation Association shall be governed by an Executive Board. Each Sub-Association shall independently vote for its own representatives. The Executive Board shall initially be composed of three natural persons, all of whom shall be designees of the Declarant. Not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the total number of Lots to Lot Owners other than the Declarant, the number of shall be increased to seven (7), four (4) of whom shall be designated by Declarant, three (3) of whom shall be elected by the Lot Owners (one from each Individual Association). At such time, a special meeting of the Recreation Association shall be held at which the Executive Board shall transact such business as may properly come before the meeting. Within sixty (180) days after conveyance of seventy-five (75%) percent of the total Lots and Units within all Sub-Associations to Owners other than the Declarant, one representative will be elected for each fifty (50) Lots or Units, or a portion thereof, created within each of the Sub-Associations. No more than one member shall be elected from any Lot and/or Unit. The number of Executive Board members may be increased to accommodate the number of Lots and/or Units in a Sub-Association at any annual meeting of the Owners by a vote of a majority of the Owners within said Sub-Association.

3.2. Delegation of Powers; Managing Agent. The Executive Board may employ a "Managing Agent" at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, where a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

- (a) to adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- (b) to adopt, repeal or amend Rules and Regulations;
- (c) to designate signatories on Recreation Association bank accounts;
- (d) to borrow money on behalf of the Recreation Association ;

Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty days' written notice and without cause on no more than ninety days' written notice. The term of any such contract may not exceed one year.

3.3. Election and Term of Office.

(a) Following the transfer of control of the Association (in accordance with Article IX of the Declaration) from the Declarant, at the annual meetings of the Sub-Associations, and subject to the Declaration of each Sub-Association, the separate Sub-Associations will hold elections to appoint Recreation Association Representatives who will make up the Master Association Executive Board. One representative will be elected to represent each fifty (50) Lots, or a portion thereof, created within each of the Planned Communities. At the first annual meeting following transfer of control from the Declarant, the board members elected shall serve staggered terms. One-half or less (if an odd number) of the board members elected, those receiving the most votes from their respective Sub-Associations shall serve two year terms and the remaining board members shall serve one year terms. Thereafter, the term of office of any Executive Board member to be elected (except as set forth in Section 3.5 hereof) shall be two years. The members of the Executive Board shall hold office until the earliest to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

(b) Within sixty (60) days after conveyance of twenty-five (25%) percent of the Lots to Lot Owners other than the Declarant, a special meeting of each of the Sub-Associations shall be held at which the Lot Owners of each Sub-Association shall elect one representative for their respective Sub-Associations to the Executive Board. If this alteration to the number of representatives shall result in an even number of members to the Executive Board, the Declarant shall choose one additional representative to sit on the Executive Board. Such members shall serve until the annual meeting of the Recreation Association following the meeting at which they were elected.

(c) Within 180 days after conveyance of seventy-five (75%) percent of the Lots to Lot Owners other than Declarant, a special meeting of each of the Sub-Associations shall be held at which time the remaining Declarant-appointed Board members shall resign and the Lot Owners, including the respective declarants, if the declarant owns more than one Lot, shall thereupon elect successor members of the Executive Board for their respective Sub-Associations to act in the place and stead of those resigning. Necessary elections shall be held to ensure that one representative will be elected to represent every fifty (50) Lots, or a portion thereof, created within each

Planned Community. The term of each member of the Executive Board shall be established pursuant to the provisions of Section 3.3(a) hereof.

(d) Notwithstanding the foregoing, if any meeting required pursuant to subparagraphs (a), (b) or (c) above could be held on the date an annual meeting of the Sub- Association is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.

3.4. Removal or Resignation of Members of the Executive Board.

(a) Except with respect to members designated by Declarant, at any regular or special meeting of the Recreation Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Lot Owners entitled to cast a majority of all votes in the Recreation Association and a successor may then be elected to fill the vacancy thus created in accordance with the terms of Section 3.5. Any Lot Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Lot Owner shall be given at least ten days notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

(b) A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Lot if the Lot Owner is other than a person. Declarant shall have the right to remove and replace any or all members appointed by Declarant at any time and from time to time until the required resignation date specified in this Section III.

3.5. Vacancies. Except as set forth in Section 3.4 above with respect to members appointed by Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Lot Owners shall be filled by a vote of the members at a special meeting of the Sub-Association Executive Board, from which such vacancy occurred, held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a Recreation Association Representative for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

3.6. Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Recreation Association shall be held within ten days thereafter at such time and place as shall be fixed by the President (even if he is the

outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

3.7. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least once each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

3.8. Special Meetings. Special meetings of the Executive Board may be called by the President on at least three business days' notice to each member, given by mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Executive Board.

3.9. Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

3.10. Quorum of the Executive Board. At all meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

3.11. Compensation. No member of the Executive Board shall receive any compensation from the Recreation Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties.

3.12. Conduct of Meetings. 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 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, these Bylaws or the Act.

3.13. Action Without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board. Action may also be taken by conference, telephone or similar electronic means where all Board members can participate simultaneously.

3.14. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Recreation Association and one or more of its Executive Board members or between the Recreation Association and any corporation, firm, or association in which one or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact that an Executive Board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in minutes, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members with a financial interest; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Recreation Association at the time it is authorized, approved or ratified.

3.15. Inclusion of Interested Executive Board Members in the Quorum. Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.14 hereof.