

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

GREATER GRAYS FERRY ESTATES

A Planned Community

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration"), is made this ____ day of _____, 2005, by the PHILADELPHIA HOUSING AUTHORITY, a body corporate and politic organized and existing under the Housing Authorities Law of the Commonwealth of Pennsylvania ("**Declarant**") and shall be recorded in the Office of the Department of Records of the City of Philadelphia, Pennsylvania.

SECTION 1. Submission to The Declaration and the Act. Declarant hereby submits all that certain real property with the improvements now or hereafter erected thereon (the "**Improvements**"), located in the City of Philadelphia, Pennsylvania and more fully described in Exhibit A attached hereto, together with the easements, rights and appurtenances **belonging** thereto (the "**Property**"), to ~~the~~ terms, conditions and provisions of this Declaration. Declarant intends that the Property and the improvements to be constructed thereon will be a planned community **subject** to the Uniform Planned Community Act, 68 P&C.S.A. § 5101 et seq., as amended from time to time (the "**Act**") and that the Community Association (defined below) **will be a unit owner's association** as provided for in the Act.

SECTION 2. Name and Location. The name by which the Property shall hereafter be **identified** is Greater Grays Ferry Estates. The **Property** is entirely located within the boundaries of the **City** and County of Philadelphia.

SECTION 3. Definitions. Capitalized terms used herein and not defined in this **Section** or elsewhere shall have the meanings given in Section 5103 **of** the Act. In addition, the **following terms** shall have the meanings given below:

- (a) "Act" has the meaning given in Section 1 hereof.
- (b) "Assessments" shall mean **assessments** made by the Community **Association** against one or more Lot Owners in accordance with this Declaration and the Act.
- (c) "Board of Directors" means the board of directors of the **Community Association**.
- (d) "By-Laws" means the by-laws adopted by the **Community Association**, as the same may be amended from time to time.
- (e) "Common Expenses" means **expenses** incurred by the **Community Association** in connection with the exercise of its powers or ~~the~~ performance of its duties hereunder.
- (f) "Common Facilities" means (i) **all** portions of the Property not include & within the boundaries of the Lots, and (ii) those certain _____ foot driveway easements identified and located on the Plat.
- (g) "Community Association" shall **mean** Greater Grays Ferry Estates **Homeowners Association**, a Pennsylvania non-profit corporation.
- (h) "Declarant" has the meaning given in the heading of this Declaration.
- (i) "Dwelling" means a **structure erected** on Lot intended for residential use.

SECTION 5. Owners' Use of Common Facilities; No Waiver of Use; No Alterations.

(a) Every Owner shall have the right of ingress, egress and regress over and the right of enjoyment in and to the Common Facilities, which right shall be appurtenant to each Lot and shall pass with title to every Lot, subject, nevertheless, to the other provisions of this Declaration. Each Owner shall make use of the Common Facilities at his own risk.

(b) No Owner may exempt himself from liability with respect to the payment of Assessments levied by the Community Association, nor release his Lot from the liens created for non-payment of Assessments, by waiver of the use or enjoyment of the Common Facilities, by abandonment of his Lot, by any conveyance or covenant severing the rights and benefits from the Lot, or otherwise. The obligation to pay Assessments is absolute and unconditional and, in addition to being a covenant running with the lands is a personal obligation of each Owner against whom the Assessment is levied, and shall not be subject to set-offs or counterclaims of any kind or for any reason.

(c) No Owner may make any changes, additions, improvements or alterations of any kind to or do any work on any of the Common Facilities except with the express written approval of the Community Association, which approval may be withheld by the Community Association for any reason or no reason. No Owner shall impair any easement within the Common Facilities without the unanimous consent of all of the Owners affected thereby and the beneficiary of the easement.

SECTION 6. Community Association.

(a) Formation. The Community Association will be incorporated and organized no later than the date that the first Lot is conveyed to an Owner other than Declarant.

(b) Board of Directors. The Board of Directors of the Community Association will be established and shall operate as provided in the By-Laws. The Board of Directors shall be the governing body of the Community Association and may act in all instances on behalf of the Community Association.

(c) Responsibilities. The Community Association will:

(i) maintain, repair, replace, alter, add to, manage, operate and administer the Common Facilities; and

(ii) enforce the respective obligations of each Lot Owner under this Declaration; and

(iii) perform its obligations under this Declaration.

The costs incurred to perform such obligations will be Common Expenses and will be reimbursed to the Community Association from Assessments levied in accordance with Section 13.

(d) Delegation. Nothing herein contained shall be construed so as to preclude the Community Association from delegating the duties described in this Section to a manager or agent or to other persons, firms or corporations, subject to the authority of the Community Association. Common Expenses benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited.

(e) Extent of Work. The time and extent of the for going maintenance, repair and replacement obligations of the Community Association shall be determined solely by the Board of

Directors. All aspects of repair, maintenance and replacement of all portions of an Owner's Lot shall be the responsibility of that Owner. All maintenance, repair and replacement of portions of the Common Facilities shall be the responsibility of the Community Association except as noted above; provided, however, that any costs incurred by the Community Association in connection with any of the foregoing maintenance, repair or replacement items which may arise in connection with the negligence or willful misconduct of the Owner(s) or occupant(s) of any particular Lot(s) shall be charged as Limited Charges to those Owner(s).

(f) Possible Damage. To the extent maintenance, repair and replacement by an Owner may involve possible damage to the Common Facilities or Lots, the work shall be performed only with the prior written consent of the Board of Directors or its duly authorized agent, except in the case of an emergency, subject to the requirements of the Board of Directors.

(g) Rules and Regulations. The Board of Directors shall have the right to impose rules and regulations governing the use and care of portions of the Dwellings, Lots and Common Facilities to the extent reasonably related to the Community Association's use restrictions (as set forth hereinafter) and maintenance, repair and replacement obligations hereunder. In addition, the Board of Directors is expressly authorized, in addition to any other enforcement powers it may have hereunder or by operation of law, to levy and collect fines for violations of this Declaration, the By-Laws or any rules or regulations promulgated by the Board. Such fines shall be in such reasonable amounts as the Board may from time to time determine in its reasonable discretion, subject to the express provisions hereof.

SECTION 7. Membership in the Community Association.

(a) Member. Each Owner of a Lot, upon acceptance of the deed conveying his Lot to him, shall automatically, without further act or deed, become a Member of the Community Association and shall be obligated to pay all Assessments levied by the Community Association against his Lot. Except as otherwise provided, membership in the Community Association shall be limited to (i) the Declarant; and (ii) the Owners of Lots. Every Owner, as a Member of the Community Association, shall be entitled to all of the rights and shall be bound by all of the obligations accompanying membership.

(b) Voting Rights. There shall be two classes of Members in the Community Association, Owners and Declarant, with the following voting rights:

(i) Each Owner shall be entitled to one (1) vote for each Lot owned by such Owner, regardless of how many persons or entities are comprised in such Owner.

(ii) Subject to Subsection 7(b)(iii) below, Declarant may appoint and remove the members of the Board of Directors until the first to occur of the following dates (the "Trigger Date"):

(A) the fifth (5th) anniversary of the date of the first conveyance of a Lot to a person other than the Declarant; or

(B) the sixtieth (60th) day after the date on which a conveyance of a Lot takes place which causes seventy-five percent (75%) or more of the Lots to be owned by Owners other than the Declarant; or

(C) the second (2nd) anniversary of the date on which the Declarant has ceased offering Lots for sale in the ordinary course of business.

(iii) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots to Owners other than the Declarant, at least one member and no less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by Lot Owners other than Declarant;

(iv) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots to Owners other than the Declarant, not less than thirty-three percent (33%) of the members of the Board of Directors shall be elected by Lot Owners other than Declarant.

(v) Not later than sixty (60) days after the Trigger Date, not less than a majority of the members of the Board of Directors shall be elected by Lot Owners other than Declarant.

(c) Multiple Persons as Owner. When more than one person holds an interest in any Lot, all persons holding such interest shall be one Member collectively, and the vote for the Lot shall be exercised as provided in Section 7(b) hereof and in the By-Laws. In no event shall more than the votes as described in Subsection (b) above be cast with respect to any Lot. Cumulative voting shall not be permitted.

(d) Protection of Declarant. Notwithstanding any other provision of this Declaration or the By-Laws, no action shall be taken or adopted by the Community Association which would in any way affect any of the rights, privileges, powers or options of the Declarant (including, but not limited to, development of the Property or the marketing program of the Declarant) without the prior written approval of the Declarant.

(e) Preconditions to Voting. An Owner shall be deemed to be "in good standing" and "entitled to vote" at any meeting of the Community Association or the Board of Directors if, and only if, he shall have fully paid all Assessments made or levied against him or against this Lot by the Board of Directors as herein provided, together with all interest, costs of collection, attorneys' fees, penalties and other expenses, if any, properly chargeable to him or against his Lot, at least five (5) days prior to the date fixed for the annual or special meeting.

(f) Tenant Voting. In the event that an Owner shall lease or permit another to occupy his Lot in accordance with the provisions of this Declaration, the tenant or occupant shall be permitted to use and enjoy the Common Facilities but shall not have any right to vote in the affairs of the Community Association, except when the Owner shall permit the tenant or occupant to exercise the proxy vote of the Owner in accordance with the provisions of the Bylaws. Nothing contained in this paragraph shall be deemed a consent or approval by Declarant of the rental of any Lot.

(g) Transfers of Lots. Every lawful transfer of title to a Lot shall include automatic transfer to the new title holder of membership in the Community Association and, upon making this transfer, the transferor's membership shall automatically terminate (but not his continuing obligations to pay any unpaid Assessments levied against him in accordance with Section 13 hereof). Except as otherwise expressly provided, membership in the Community Association may not be assigned or transferred separately from the transfer of legal title to a Lot and any attempt at such a separate assignment or transfer shall be void and of no effect.

(h) Disputes Among Owner. If a Lot is owned by more than one person and there is a conflict between or among the Owners of the Lot as to how the vote associated with the Lot should be cast, the vote shall be deemed included for purposes of determining a quorum but the conflicting votes cast by Owners of the Lot shall otherwise void the vote associated with the Lot. If a Lot is owned by a

corporation, the officer or employee thereof entitled to cast the vote(s) of the Lot for the corporation shall be designated in a certificate for this purpose, signed by the president or vice-president, and attested to by the secretary or assistant secretary of the corporation, and submitted to the Secretary of the Community Association.

(i) Election Procedures. The manner of electing directors and officers of the Community Association is governed by the By-Laws.

SECTION 8. Board of Directors.

(a) Subject to the provisions of this Declaration and the By-Laws, the Board of Directors shall have the power to act on behalf of the Community Association. The initial Board of Directors shall consist of three (3) Directors. The initial Directors shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed Directors shall be replaced with Directors elected by the Owners in accordance with the provisions of paragraph 7(b) of this Section,

SECTION 9. Use of Common Facilities by Community Association. The Declarant will execute and record, for the benefit of the Community Association a non-exclusive easement of use and enjoyment of the Common Facilities, and the Community Association shall thereupon assume all responsibility for the management, operation, maintenance, insurance, repair and replacement of such Common Facilities and for the costs and expenses associated with such Common Facilities. Notwithstanding anything to the contrary contained in this Section, not later than the election held pursuant to Subsection 7(b)(v) the Declarant shall transfer and deliver all personal property of the Community Association to the Community Association.

SECTION 10. Limited Warranty for Common Facilities and Lots.

(a) Upon the conveyance of any interest in the Common Facilities to the Community Association following substantial completion thereof, the Declarant warrants to the Community Association that such Common Facilities shall be free from structural defects for a period of two (2) years from the date the interest in the Common Facilities were conveyed to the Community Association.

(b) Upon conveyance of a Lot to a Lot Owner, the Declarant shall warrant to the Lot Owner that the Lot is free from structural defects for a period of two (2) years from the date of conveyance.

(c) THE WARRANTY DESCRIBED IN SECTION (a) IS THE ONLY WARRANTY MADE TO THE COMMUNITY ASSOCIATION BY THE DECLARANT AND IS NOT A WARRANTY TO ANY OF THE OWNERS AND IS EXPRESSLY MADE IN LIEU OF ANY OTHER EXPRESSED OR IMPLIED WARRANTIES BY THE DECLARANT, THE DECLARANT'S AGENTS OR EMPLOYEES OR ANY OTHER PERSON ON BEHALF OF THE DECLARANT.

(d) THE WARRANTY DESCRIBED IN SECTION (b) IS THE ONLY WARRANTY MADE TO ANY LOT OWNER BY THE DECLARANT AND IS NOT A WARRANTY TO THE COMMUNITY ASSOCIATION AND IS EXPRESSLY MADE IN LIEU OF ANY OTHER EXPRESSED OR IMPLIED WARRANTIES BY THE DECLARANT, THE DECLARANT'S AGENTS OR EMPLOYEES OR ANY OTHER PERSON ON BEHALF OF THE DECLARANT.

(e) FOR THE PURPOSE OF THE FOREGOING WARRANTIES, THE TERM "STRUCTURAL DEFECTS" DOES NOT INCLUDE LEAKS OR SEEPAGE IN OR FROM THE

ROOF, EXTERIOR WALLS OR EASEMENT NOR NORMAL SETTLEMENT OF THE IMPROVEMENTS.

(f) The warranties described in this Section shall not apply to the Common Facilities or Lots if they have been subjected to misuse or damage by accident or have not been afforded reasonable care. The liability of the Declarant under this warranty is limited to replacing or repairing any defective parts or materials which do not comply with the above warranty and in no event shall the liability of the Declarant exceed the replacement cost of the Common Facility or Dwelling which contains the structural defect(s) upon which a warranty claim is based. In no event shall the Declarant be liable to the Community Association or to any Owner for any damage to personal property or consequential damages arising from any breach of the above warranty or for the negligence of the Declarant. The Declarant shall have the sole right to determine whether the structural defect shall be corrected by repair or replacement and the Community Association and the Owners shall make every reasonable effort to make the Common Facilities, together with reasonable access thereto, available to the Declarant and its agents, employees and invitees during normal business hours in order to permit such repair or replacement to be made.

SECTION 11. Insurance.

(a) The Board of Directors shall obtain or cause to be obtained "broad-form" comprehensive public liability and property damage insurance covering liability for loss or damage to persons or property in those amounts, against those risks and in those insurance companies which the Board of Directors shall from time to time determine, but in no event less than One Million Dollars (\$1,000,000) Dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. This insurance shall include protection against risks which are customarily covered in similar policies for associations similar to the Community Association, including, without limitation, liabilities arising out of or in connection with the Community Association's maintenance responsibility hereunder. This insurance shall also include protection for the Owners and the Community Association against liability arising out of the use of, or occurring on, any portion(s) of the Common Facilities which are located on any Lot(s), including, without limitation, portions of private roads, emergency accessways and/or sidewalks which are located on a Lot. All liability insurance contracts shall contain severability of interest provisions and cross liability endorsements to cover liabilities of the Community Association or the Owners as a group to an Owner and/or to third parties.

(b) Each Owner shall be individually responsible for maintaining insurance coverage for his Dwelling, the fixtures installed therein, and for all personal property of the Owner. In the event of damage or destruction to a Dwelling, the Owner shall repair or replace the Dwelling so that the Dwelling shall be in the same condition as existed prior to the damage or destruction.

(c) All policies purchased by the Community Association shall be purchased for the benefit of the Community Association, the Board of Directors, the Declarant, all Owners, and all Eligible Mortgagees, as their interests may appear; however, the Community Association shall be the named insured and it shall not be necessary to name the Board of Directors, the Declarant or the Owners unless so required by the insurer. Mortgagee endorsements may be issued upon request. The Community Association shall maintain the appropriate insurance coverage as is required under applicable law (including the Act) and under the guidelines and regulations promulgated by the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), HUD and VA or their successors. The company or companies with whom the Board of Directors shall place its insurance coverage, as provided in this Declaration, must be qualified and reputable, authorized to do business in the Commonwealth of Pennsylvania and rated A, with a V financial size category, by A. M. Best Company, Inc., in its "Key Rating Guide: Property Casualty", or a comparable rating if Best shall no longer be in existence. Except as otherwise specifically provided herein, premiums for insurance coverage

and other expenses related to insurance shall be paid by the Board of Directors and charged to all Owners as a Common Expense. All policies shall provide that they may not be cancelled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Community Association and to each Eligible Mortgagee listed in the insurance policies in addition, policies shall provide for the following: recognition of any insurance trust agreement; a statement that the insurance shall not be prejudiced by any act or neglect of individual Owners which is not in the control of the Owners collectively; and a statement that the policy is primary in the event the Owner or the Declarant has other insurance covering the same loss. Policies purchased by the Community Association shall be deposited with the Board of Directors and shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Community Association.

(d) The Board of Directors shall review, at least annually, all insurance coverage carried pursuant to this Declaration to evaluate this coverage with respect to its compliance with this Declaration and (to the extent the Property is or will be subject to FNMA or FHLMC approval) standards set by FNMA, FHLMC, HUD and VA, as well as with respect to what is reasonably appropriate coverage for communities comparable to the Property. In the event the Board of Directors determines after this review and evaluation that the insurance coverage required hereunder is not consistent with the requirements or standards set by FNMA, FHLMC, HUD or VA or other reasonably appropriate coverage when compared to coverage for communities comparable to the Property, the Board of Directors shall have the power to deviate from the specific provisions of this Section only to the extent of providing consistent and reasonably appropriate coverage; provided the Board of Directors shall give the Owners and all Eligible Mortgagees at least thirty (30) days prior written notice of any deviation.

(e) The Board of Directors is hereby empowered to compromise and settle claims arising under insurance policies purchased by the Community Association, and to execute and deliver releases therefor, upon the payment of claims.

(f) The Board of Directors may also obtain the following insurance coverage and endorsements which may be applicable to the Common Facilities or other insured property, all premiums for which are to be charged as Common Expenses: (i) Workmen's compensation policy to meet the requirements of law; (ii) directors' and officers' liability insurance and any other insurance which the Board of Directors shall deem necessary to satisfy the indemnification obligations of the Community Association as provided in Section 18 of this Declaration; (iii) all other insurance which the Board of Directors shall determine from time to time to be necessary or desirable.

(g) If available, and where applicable, the Board of Directors shall endeavor to obtain policies which provide that the insurer waives its right of subrogation as to any claims against Owners, the Community Association, the Declarant, the Board of Directors and their respective employees, agents and guests.

(h) Notwithstanding the duty of the Community Association to maintain and repair the Common Facilities, the Board of Directors shall not be liable for injury or damage caused by the failure of the Board of Directors to maintain or repair the same, except to the extent of the proceeds of insurance carried by the Board of Directors and collected and received therefor.

(i) To the extent that the use or occupancy of a Lot by an Owner or the occupant of any Lot that is otherwise permitted hereunder causes an increase in insurance premiums payable by the Community Association, the Community Association shall have the right to charge the Owner of the Lot for such increase. No Lot shall be used, occupied or kept in a manner which will in any way increase fire, liability or other insurance premiums payable by the Community Association or any other Owner without the prior written permission of the Board of

Directors, which permission shall be conditioned upon the Owner of the Lot bearing the full amount of any increase in premiums payable by the Community Association. No Lot or any part of the Property shall be used, occupied or kept in any manner which would violate any law, statute, ordinance or regulation of any governmental body or which would lead to the cancellation of any insurance policy or policies on the Property.

(i) The Board of Directors shall maintain the insurance required by Section 531% of the Act.

SECTION 12. Easement.

(a) All the Property shall be subject to an easement for the present and future installation and maintenance of electric service, master and/or cable television service, telephone service, water service, storm water facilities and other utility services and the facilities and appurtenances necessary to the same and for any other services supplied to any part of the Property and/or the Improvements, which easement shall run in favor of the Declarant, the Community Association and (upon execution of specific easements therefor) the entity or entities owning or operating these facilities and providing the aforementioned services. The Declarant and the Board of Directors shall have the right to grant to third parties additional utility or related easements which are deemed reasonable by the Declarant or Board of Directors in connection with the supply of utility services to the Lots or the Common Facilities.

(b) The Community Association and its Board of Directors, officers, agents and employees, shall have the irrevocable right and easement to have access to each Dwelling and Lot as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Facilities therein or accessible therefrom or the making of any addition or improvements thereto or to make other repairs to any Common Facilities (if these repairs are reasonably necessary for public safety or to prevent damage to the Common Facilities), or to abate any violation of this Declaration or any rules or regulations of the Community Association or any violation of any laws or orders of any governmental authorities having jurisdiction over the Property. Any Lot on which any landscaping and/or signage is located shall be subject to a non-exclusive easement to the Community Association for the maintenance, repair and replacement of such Common Facilities.

(c) The Declarant reserves the right with respect to its marketing of Lots or Dwellings to use the Common Facilities and, to the extent not already conveyed to purchasers, Lots or Dwellings for the ingress and egress of the Declarant, its officers, employees, agents, contractors and subcontractors. The Declarant shall also have the right, in connection with its marketing of Lots or Dwellings, to erect signs on the Common Facilities, or on those Lots not already conveyed to purchasers. Any damage to the Common Facilities resulting from this easement shall be repaired by the Declarant within a reasonable time after the damage occurs. The Declarant agrees to indemnify and to hold the Community Association harmless from all liabilities resulting from the use of the Common Facilities in conjunction with the marketing of Lots or Dwellings. The rights reserved for the Declarant by this Section shall remain in effect for as long as the Declarant shall remain the owner of or have the right to create or build a Lot or Dwelling in the Property. This Subsection shall not be amended without the prior written consent of the Declarant.

(d) The Declarant reserves the right-with respect to the construction of Dwellings and Common Facilities to go upon any and all of the Property for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Common Facilities or Dwellings (including without limitation, to change the grade of any portion of the Property and/or to install drainage control devices so as to control possible drainage and/or runoff of storm water in

connection with the development of the Property or adjacent lands.) The Declarant agrees to indemnify and hold the Community Association harmless from liabilities resulting from the exercise of this easement. This easement shall be appurtenant and shall pass with title to every Lot. The rights hereby reserved for the Declarant shall last as long as the Declarant is the owner of or has the right to create or build a Lot or Dwelling in the Property. This Subsection shall not be amended without the prior written consent of the Declarant.

(e) If any portion of the Common Facilities hereafter encroaches upon any Dwelling or Lot, or if any Dwelling hereafter encroaches upon any other Dwelling, Lot or upon any portion of the Common Facilities as a result of settling or shifting of any Dwelling, other than as a result of the purposeful or negligent act or omission of the Owner of the encroaching Dwelling or of the Community Association in the case of encroachments by the Common Facilities, a valid easement appurtenant to the encroaching Dwellings or Common Facilities for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist.

(f) The rights and duties of the Owners of Lots within the Property with respect to storm sewer, water, electricity, -telephone lines and other utility facilities shall be governed by the following: Wherever water line house connections or electricity, telephone, cable or other utility lines are installed within the Property which connections serve one or more Dwellings, the Owner of each Dwelling served by the lateral or connection shall be entitled to the full use and enjoyment of the portions of the laterals and connections which serve his Dwelling or Lot. In the event of a dispute between Owners with respect to repair or rebuilding of any such laterals or connections, or with respect to the sharing of the costs thereof, upon written request of any one of these Owners, addressed to the Community Association, the matter shall be submitted to the Board of Directors, who shall decide the dispute, and the decision of the Board of Directors shall be final, conclusive and binding on all parties.

(g) Each Owner and the Declarant shall have an easement of use, access, ingress and egress to, from, over and through any private road and/or sidewalk which is located either totally or partially within an Owner's Lot.

(h) The foregoing easements shall run with the land and inure to the benefit of and be binding upon the Community Association, each Owner, the Declarant, each Eligible Mortgagee and each tenant, occupant or other person having any interest in any Lot or in the Common Facilities at the time of reference.

(i) Certain portions of the Property are currently subject to the recorded utility and other easements listed on Exhibit C attached hereto.

SECTION 13. Assessments.

(a) Each Owner shall be assessed and shall pay a proportionate share of the Common Expenses of the Community Association (subject, however, to subsection (1) below), based on a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Lots in the Property then subject to this Declaration. At any time following dosing for the initial sale of the first Lot and Dwelling, the Community Association may, by notice to all Owners, begin assessing and collecting regular assessments from each purchaser. Each Owner of any Lot shall be deemed to covenant and agree to pay to the Community Association all Assessments, including, but not limited to the following: (i) regular Assessments to be made due and payable on an annual basis as reasonably determined from time to time by the Board of Directors based upon the budget of the Community Association; (ii) special Assessments fixed, established and collected from time to time as provided in this Declaration; (iii) any other charges or Assessments for what may be determined from time to time by the Community

Association to be Common Expenses; and (iv) any interest charges, attorneys' fees, penalties or fines levied by the Board of Directors for nonpayment of Assessments or for non-compliance with the terms and provisions of this Declaration, the By-Laws or any rules or regulations created by the Board of Directors. The Community Association shall have the right to assess Limited Charges against any one or more Lots to provide services which are exclusively used for these Lots. Each Assessment, together with interest thereon, fines, late charges and costs of collection thereof (including attorneys' fees) as hereinafter provided shall also be the personal obligation of the Owner who was the Owner of the Lot at the time when the Assessment became due.

(b) The Community Association shall assess to each purchaser of a Lot from the Declarant an amount equal to One Hundred Fifty Dollars (\$150.00) as a one-time non-refundable contribution to the Community Association which amount may be used from time to time as revenues of the Community Association for the purposes deemed appropriate or desirable by the Board of Directors.

(c) Each Owner shall be obligated to reimburse the Community Association for any expenses incurred by it in repairing or replacing any part or parts of the Common Facilities damaged by his act, omission or negligence or by the act, omission or negligence of his tenants, agents, guests or licensees, promptly upon receipt of the Community Association's statement therefor.

(d) Any excess of Assessments remaining after payment of or provision for Common Expenses and any payment of reserves may be used by the Community Association as determined by the Board of Directors for the benefit of the Community Association.

(e) Except as otherwise provided in this Declaration, payment of Assessments by the Owners shall be made at the discretion of the Board of Directors; provided that all regular and special Assessments shall be declared by the Board of Directors and made due and payable: on an annual or monthly basis. The failure of the Board of Directors to formally declare any annual Assessment within the period of time set forth in the Bylaws shall result in the regular annual Assessment for the immediately preceding year being the regular annual Assessment applicable to and due and payable for the next year.

(f) All Assessments and charges levied against or chargeable to any Owner, including all fines, fees, charges, late charges, interest and costs of collection thereof (including attorneys' fees), and penalties levied for noncompliance with this Declaration, the By-Laws and any rules and regulations of the Community Association shall constitute the personal obligation of such Owner and a lien against the Lot and Dwelling owned by such Owner in favor of the Community Association; provided that all fines, fees, charges, late charges, interest, costs of collection (including attorneys' fees) and penalties shall be subordinate to the lien of any Eligible Mortgagee. This lien shall be effective from and after the time the Assessment or charge becomes due and shall be evidenced by the recording in the public records of the county in which the Property is situated of a claim of lien stating the description of the Lot, the name of the record Owner and the date when the Assessment or charge became due. This claim of lien shall include only those sums which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Community Association. Upon full payment of all sums secured by the lien and payment of a preparation fee, the party making payment shall be entitled to a recordable satisfaction of lien to be recorded at his sole expense.

(g) The Community Association will not enforce any obligation or lien created under this Section 13, and will not record a claim of lien as provided for in the preceding paragraph, unless and until the Community Association has first given notice to the delinquent Owner of the amount in arrears and the Owner has failed, within sixty (60) days of delivery of the said notice, to pay to the Community Association all such arrearages.

(h) Any Assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of fifteen (15%) percent per annum or a higher rate permitted by law which the Board of Directors shall from time to time determine. The Board of Directors may assess fines, late charges and costs of collection (including attorneys' fees). The Board of Directors shall also have the right to charge a delinquency Assessment, as established from time to time by the Board of Directors, against any Owner whose Assessments are delinquent for a period exceeding fifteen (15) days from the due date. The Board of Directors shall have the right to accelerate payment of all remaining proposed payments of any regular or special Assessments for the remainder of the fiscal year, as such fiscal year is determined pursuant to the Bylaws.

(i) Any Assessment charged against an Owner may be enforced by a lawsuit brought by the Board of Directors on behalf of the Community Association and/or the Owners in an action at law or equity against the Owner personally obligated to pay the same, or by executing the lien described herein against the Lot or Dwelling, or both, and the Board of Directors may seek whatever other remedies are available at law or in equity. In addition to these rights and remedies available to the Community Association, the Community Association shall have the right to revoke the rights of an Owner in the Community Association, including the right to vote; provided the Community Association shall provide written notice of this revocation and an opportunity for the defaulting Owner to be heard before the Board of Directors. The decision of the Board of Directors shall be final. Any judgment against a Lot and its Owner shall be enforceable in the same manner as is otherwise provided by law. Attorneys' fees, court costs and collection expenses incurred by the Board of Directors incident to the collection of any Assessments or the enforcement of any lien, together with all sums advanced and paid by the Board of Directors for taxes and payments on account of superior liens which may be required to be advanced by the Board of Directors in order to protect its lien, shall be payable by the Owner and secured by this lien.

(j) In the event that title to a Lot is transferred by sheriff's sale pursuant to execution upon any lien against the Lot, the Board of Directors may give notice in writing of any unpaid Assessments, which are a charge against the Lot but have not been reduced to a lien, to the sheriff and the sheriff shall pay the Assessments of which he has notice out of the proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay, but prior to any distribution of the balance to the former Owner against whom the execution issued. Any unpaid Assessments which cannot be promptly collected from the former Owner may be reassessed by the Board of Directors as a Common Expense to be collected from all the Owners, including the purchaser or acquirer of title at the sheriff's sale, his successors and assigns. To protect its right to collect unpaid Assessments which are a charge against a Lot, the Board of Directors may, on behalf of the Owners, purchase the Lot at sheriff's sale; provided this action is authorized by the affirmative vote of a majority of the Board of Directors. If it does so purchase, the Board of Directors shall thereafter have the power to sell, convey, mortgage or lease the Lot to any person whatsoever.

(k) Upon the voluntary sale or conveyance of a Lot, or any other transfer, by operation of law or otherwise, except a transfer described in Subsections (k) and (l) of this Section 13, and a transfer by deed in lieu of foreclosure to an Eligible Mortgagee, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments for Common Expenses which are charges against the Lot as of the date of the sale, conveyance or transfer. This joint and several liability shall be without prejudice to the right of the grantee to recover from the grantor the amount of any unpaid Assessments which the grantee may pay, and until these Assessments are paid, they shall continue to be a charge against the Lot, which may be enforced in the manner set forth above; provided, however, any person who shall have entered into a written agreement to purchase a Lot shall be entitled to obtain a written statement from the Treasurer of the Community Association setting forth the amount of unpaid Assessments charged against the Lot and its Owner, and if the statement does not reveal the full amount of the unpaid Assessments as of the date it is rendered, neither the purchaser nor the Lot after transfer

thereof shall be liable for the payment of the amount in excess of the unpaid Assessments shown on the statement.

(l) If an Eligible Mortgagee or other purchaser of a Lot acquires title to the Lot as a result of foreclosure of the first mortgage, or by deed in lieu of foreclosure of a first mortgage, the acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or other charges by the Community Association pertaining to the Lot or chargeable to the former Owner which accrue prior to acquisition of title as a result of the foreclosure, but shall be liable for such purchaser's share of such Expenses and charges thereafter accruing. The unpaid share of the charges shall be a Common Expense collectible from all Owners, including the acquirer of the Lot by foreclosure, his successors and assigns.

(m) The Declarant shall be entitled to offset against any Assessments imposed upon Lots owned by Declarant the value of services provided by the Declarant to the Community Association prior to completion and sale of the last Lot and Dwelling owned by Declarant, including, without limitation, the value of snow removal, street sweeping/cleaning, storm sewer cleaning, maintenance and repairs of Common Facilities, and a monthly management fee;

SECTION 14. Transfer of Lots.

(a) Any Owner may, at any time, transfer ownership in the Lot and Dwelling (which must include his membership in the Community Association) to any other person (subject to the Homeowners Purchase Covenants by and between the Declarant and the individual Lot owner entered into at the time of acquisition of the Lot), and it shall not be necessary to secure the prior consent of the Community Association, Board of Directors or any other Owner.

(b) Any Owner who sells his Lot shall provide his purchaser, at the Owner's expense, a current copy of this Declaration, the By-Laws, all rules and regulations promulgated by the Community Association, any amendments to the foregoing and any other covenants, conditions or restrictions and related documents which may apply to the Lot. Within (5) days after the execution of a lease or an agreement for the sale of the Lot by the Owner, the Owner shall submit to the Community Association a certificate signed by the tenant or purchaser that certifies that the tenant or purchaser has received copies of the documents applicable to the Lot. Within five (5) days after the execution of a lease for the Lot, the Owner shall submit a copy of the executed lease to the Community Association,

(c) Upon execution of an agreement of sale of the Lot, the selling Owner shall furnish a certificate issued by the Community Association, containing the information required by Section 5407 of the Act.

(d) The Community Association shall fully cooperate in the preparation and provision of this information certificate to a selling Owner within ten (10) days after it is requested in writing by the Owner. An Owner providing this certificate to a purchaser is not liable to the purchaser for any erroneous information provided by the Community Association and included in the certificate. A purchaser shall not be liable for any unpaid Assessments greater than those set forth in the certificate, other than additional Assessments arising from the passage of time. The Community Association shall have the power to assess the reasonable cost of the preparation of the certificate to the selling Owner and require payment thereof prior to the delivery of the certificate to the selling Owner.

SECTION 15. Use Restrictions.

(a) Except as used by the Declarant in connection with its construction and marketing of Dwellings, each Lot and Dwelling shall be used for residential purposes only; provided (subject to Subsection (h) below) that home occupations may be carried on in the Dwelling or Lot if the use is incidental to the Dwelling's primary residential use, the Owner of such Lot and Dwelling shall have no employees, customers or clients at the Dwelling and shall be approved by any municipal authorities having jurisdiction over the use. Subject to the aforesaid limited exception for home occupations, no Owner may use his Lot for any purpose other than as residential.

(b) No part of the Property shall be used so as to create a nuisance or an unreasonable interference with the peaceful possession and occupation or proper use of any Lot or the Common Facilities, In illustration and not limitation of the foregoing, no Owner, guest or invitee shall play loud music, create excessive noise, or permit trash or clutter to accumulate on his Lot,

(c) Except for work done by the Declarant in connection with the construction and marketing of the Property, nothing shall be built, caused to be built or done in or to any part of the Property which will alter or cause any alteration to the Common Facilities without the prior written approval of the Board of Directors.

(d) Each Lot and Dwelling shall be maintained by its Owner or occupant in a safe, clean and sanitary manner and condition, in good order and repair and in accordance with all applicable restrictions, conditions, ordinances, codes and any rules or regulations as may be applicable hereunder or under law. By way of illustration and not limitation, each Owner of a Lot and Dwelling shall be responsible to maintain the trees and sidewalks located inside the City of Philadelphia's public right of way on the roads within the Property.

(e) No Owner or occupant of any Lot or invitee of such Owner or occupant shall carry on, or permit to be carried on, any activity or practice which unreasonably interferes with the quiet enjoyment and proper use of another Lot or the Common Facilities by the Owner or occupant of any other Dwelling, or which creates or results in a hazard or nuisance on the Property.

(f) Except for a single non-illuminated address number sign to a Dwelling and except for the right reserved for the Declarant in Section 12(d) of this Declaration, no sign may be erected by any Owner on or in a Lot or Dwelling (visible from the outside of the Dwelling) or on any of the Common Facilities, without the prior written approval of the Board of Directors. In no event shall any Owner or occupant display any real estate for sale or for rent sign of any kind on any Lot except in compliance with Section 16(c) hereof:

(g) No Owner or occupant may obstruct the Common Facilities in any way. No Owner or occupant may store anything in or on the Common Facilities without the prior written approval of the Board of Directors.

(h) In accordance with the present zoning of the Property, the only permitted use of a Lot is as a residence. No commercial, industrial, recreational or professional activity not permitted by the present zoning, other applicable laws and ordinances and any rules or regulations thereunder shall be carried on in any Lot or Dwelling at any time. If, in the future, zoning regulations change so as to expand the scope of activities permitted to be conducted within the Lots and Dwellings, application may be made by an Owner to the Board of Directors for approval to commence the newly permitted use of his Lot or Dwelling. Each application shall be considered by the Board of Directors on an individual basis. Once the Board of Directors has given its approval to a particular use of a Lot or Dwelling, it may not revoke the approval so long as the nature and scope of the approved use remains unchanged. No Owner shall permit his Lot or Dwelling to be used or occupied for any prohibited purpose.

(i) No animals of any kind shall be kept or bred in any Lot or Dwelling, other than dogs or cats which are kept as household pets or other customary household pets; provided that in no event shall any more than four (4) pets be kept by the Owner or occupant of any Dwelling in or outside of the Dwelling. No pet shall be permitted to run loose or uncontrolled in or on the Common Facilities. Pet owners shall immediately clean up any waste left by pets anywhere on the Property.

(j) No portion of the Property shall be used or maintained as a dumping ground for rubbish, trash, new or used lumber or wood, metal scrap, garbage or other waste, except that (i) organic kitchen waste materials may be composted in a properly constructed and screened composter, which must be free of noxious odors, and (ii) other such material may be kept on the Lot or in areas of the Property designated for this purpose by the Declarant (in connection with its construction) or the Board of Directors; provided these materials shall be kept in sanitary containers and in a clean and sanitary condition. These containers shall be placed for collection only in the designated areas and only on the day these refuse materials are to be collected, Empty containers shall be removed promptly after collection.

(k) No Owner or occupant shall erect or maintain an exterior antenna on any Lot or Dwelling without the prior written approval of the Board of Directors. An Owner may install a satellite dish with the prior written approval of the Board of Directors.

(l) No Owner or occupant shall leave any non-operating vehicle, a vehicle not currently registered and licensed or a vehicle not having a valid and unexpired state motor vehicle inspection sticker on or about the Property, except if entirely enclosed in the Dwelling garage.

(m) Driveways and streets and other exterior parking areas on the Property shall be used by Owners and occupants for four wheel passenger vehicles, two wheel motorcycles and standard bicycles only. No recreational vehicles, vans (other than noncommercial passenger vans), mobile homes, trailers, boats, trucks (other than non-commercial light trucks) or commercial (whether or not registered as a commercial vehicle with the State Department of Transportation) vehicles shall be permitted to be parked on the Property, except on a day-to-day temporary basis in connection with repairs, maintenance or construction work. Vans, recreational vehicles, trailers, trucks or commercial vehicles may be permitted to be parked entirely within Dwelling garages or by rule or regulation of the Board of Directors. Passenger vehicles may be permitted to be parked on the driveway and in the garage on a Lot.

(n) In the event of taking in condemnation of Common Facilities or any portion thereof, the award for the taking shall be payable to the Community Association for use by the Community Association to defray costs and expenses of operation, maintenance and replacement of Common Facilities.

(o) No motor vehicle, including, but not limited to, mini-bikes, all-terrain vehicles, snowmobiles and motorcycles, may be driven anywhere on the Property, other than on streets and driveways, by any Owner, occupant or guest. In illustration and not limitation of the foregoing, no vehicles of any sort may be driven anywhere on the Common Facilities. No maintenance, servicing or repair of any motor vehicle of any type may be done anywhere on the Property (including, without limitation, in the street or in a driveway) except in a fully enclosed garage.

(p) No fences, tents, storage tanks, sheds, or accessory buildings or structures shall be erected or permitted to remain on the Property without the prior written approval of the Board of Directors as described in Section 16.

(q) No outdoor clothes lines may be erected, installed or permitted to remain on any Lot.

(r) No tree, shrub, bush or other plant of any kind located on the Common Facilities may be cut down, trimmed, relocated, uprooted or altered in any way except by the Community Association, and no hazardous activity of any kind is permitted on the Common Facilities.

(s) No stormwater management facilities or basins (including, without limitation, drainage swales) may be removed or altered without the prior approval of the City of Philadelphia, except by Declarant,

(t) The provisions of this Section 15 shall not apply to Declarant.

SECTION 16. Architectural Control/Signage.

(a) No building, wall, fence, pool, shed, playset, lawn ornaments of any kind, flagpole over six (6) feet in height, antenna, satellite dish or other structure or improvement (including, but not limited to, landscaping or plantings (other than annual plantings in plant bed(s) adjacent to Dwellings)) shall be commenced, erected, installed or maintained upon the Owner's Lot or Dwelling, nor shall any exterior addition to or change (including change of external color scheme) or ~~&era&&~~ or addition be made to any Dwelling which alters the external appearance of the Dwelling prior to submitting an application for review and approval in accordance with paragraph (b) of this Section, which approval will not be unreasonably withheld.

(b) Each Owner shall **submit by** certified mail, return receipt requested ~~to the~~ President of the Community Association (or to any committee or management company designated by the ~~President~~), plans and specifications showing the nature, kind, shape, height, materials, finish, ~~colors and~~ location of the Owner's proposed changes, alterations or additions to the Lot or Dwelling. The Owner shall be ~~responsible~~ to ensure that the proposed alterations, additions and/or improvements comply with all applicable codes, laws and ordinances. The Community Association shall have the right to ~~request~~ additional information, plans and materials concerning any proposed alterations, ~~additions and~~ improvements, but the Community Association's election to accept for review any submission which does not contain all relevant information shall not limit the Community Association's right to ~~require~~ such information with all future submissions. In the event the Community Association fails to ~~approve~~, with or without conditions, or deny the application within forty-five (45) days from the date all ~~plans and~~ specifications, including all additional ~~information~~, plans and materials which may be requested ~~by~~ the Community Association have been submitted, approval will be deemed to have been ~~denied~~. The Community Association shall review the plans to determine whether they are harmonious and ~~compatible~~ with the Lots and Dwellings in the Property. The Board of Directors shall have the right to ~~establish~~ design criteria and standards for alterations, additions and improvements within the Property.

(c) Any Owner wishing to sell or lease his Dwelling or Lot shall provide ~~to the~~ Community Association the name and telephone number of the listing agent (if any), or the Owner's telephone number if there is no listing agent. The Community Association shall prepare and install ~~on the~~ Owner's Lot, at the Owner's expense and in a location mutually acceptable to the Owner ~~and the~~ Community Association, a sign displaying ~~such~~ name and telephone number and the words "For Sale" or "For Lease," using in all cases a single ~~uniform~~ size and format for each such sign that will be consistent with other signage on the Property, provided that the Board of Directors may approve alternate signage. No other sign of any kind shall be permitted ~~on~~ any Lot or Dwelling except as set forth in Section 15(f).

(i) The provisions of this Section 16 shall not apply to the Declarant.

SECTION 17. Compliance; Default and Remedies.

(a) Each Owner shall be governed by and shall comply strictly with the terms, covenants, conditions and restrictions of this Declaration, the By-Laws and any rules and regulations adopted pursuant thereto, and the same as they may be amended from time to time.

(b) The Board of Directors shall have the power to adopt, amend and enforce compliance with, any reasonable rules and regulations relative to the operation, use and occupancy of the Lots and the Common Facilities consistent with the provisions of this Declaration, including, but not limited to any enforcement procedures and penalties for violations of this Declaration, the By-Laws and any rules and regulations adopted pursuant thereto which the Board of Directors shall deem appropriate. Any rules and regulations shall be adopted or amended, from time to time, by means of appropriate resolutions duly approved by the Board of Directors in accordance with the By-Laws. A copy of the rules and regulations and copies of any amendments thereto shall be delivered or mailed to each Owner and occupant of a Dwelling or Lot promptly after the adoption thereof and shall become binding upon all Owners and occupants of Dwellings and Lots, their successors and assigns,

(c) Failure of an Owner or occupant to comply with any provision of this Declaration or the By-Laws or any rule and regulations adopted pursuant thereto shall entitle the Community Association or Owner to the remedies provided in this Declaration, and also to the following relief, none of which shall be exclusive of any other remedies:

(i) Suits: In the event of a breach of this Declaration, the Community Association or any aggrieved owner shall be entitled to sue for the recovery of damages or for injunctive or other equitable relief, or both. This relief shall not be exclusive of other remedies provided by law.

(ii) Attorneys' Fees: In any proceeding arising hereunder, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees; provided, however, that no costs or attorneys' fees may be recovered against the Board of Directors in any action unless the court shall first expressly find that the Board of Directors acted in bad faith.

(iii) No Waiver of Rights: The failure of the Declarant, or the Board of Directors, or any Owner to enforce any covenant, restriction or other provision of this Declaration, the By-Laws or any rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

(d) No Owner or occupant shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following procedures established by the Board of Directors by rule or regulation consistent with the provisions of this Section. The Board of Directors, or a committee appointed by the Board of Directors, shall hear complaints from Owners or occupants of alleged violations of this Declaration (other than violations with respect to Assessment obligations), the By-Laws and any rules and regulations of the Community Association. The Board of Directors, or a committee appointed by the Board of Directors, shall hold a hearing on any complaint within thirty (30) days after the receipt by the Board of Directors of a formal notice of complaint from an Owner or occupant. A decision shall be issued in writing by the Board of Directors within ten (10) days after the conclusion of the hearing. The Board of Directors shall have the right to establish various rules and procedures governing the operation and administration of the complaint and hearing process and the enforcement of the Community Association documents and rules and regulations. Unless the internal remedies provided by this Section and any rules and regulations promulgated by the Board of Directors shall be expressly waived by the Community Association, or the Community Association fails or refuses to act, no action at

law or in equity shall be commenced by any Owner or occupant until this internal remedy is pursued to exhaustion, Any action by an Owner or occupant against any other Owner or occupant arising out of any term, covenant or condition contained in the By-Laws, this Declaration or any rules and regulations adopted pursuant thereto shall be subject to the same procedures. In hearings before the Board of Directors: or a committee appointed by the Board of Directors, all parties shall be entitled to be represented by counsel,

(e) If an Owner fails to perform any of his obligations hereunder, the Community Association may perform such obligations on behalf of such owner and may go upon the Owner's lot as may be necessary in order to do the work. Any costs incurred by the Community Association in order to enforce such remedies, including reasonable attorney fees, shall be reimbursable by the Owner to the Community Association upon demand, and may be levied against such Owner as a special Assessment under Section 13 hereof.

SECTION 18. Indemnification of Officers. Directors and Committee Members. The Community Association shall indemnify every Director, officer and committee member, his heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, officer or a committee member of the Community Association, in accordance with, to the same extent and as limited by the provisions of the Pennsylvania Nonprofit Corporation Law of 1988 (the "Nonprofit Law"), as amended from time to time. In the event of a settlement, indemnification shall be provided only in connection with those matters covered by the settlement as to which the Community Association is advised by independent counsel that the person to be indemnified may be indemnified under the Nonprofit Law. The foregoing rights shall not be exclusive of other rights to which the Director, officer or committee member may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Community Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Community Association as Common Expenses; provided, however, that nothing contained in this Section shall obligate the Community Association to indemnify any member of the Community Association who is or has been a Director, an officer or a committee member with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Community Association.

SECTION 19. Amendments.

(a) Subject to the other provisions of this Declaration relative to amendment, this Declaration may be amended in the following manner:

(i) Before Any Conveyances; Non-Material Amendments. Prior to the transfer of any Lot by the Declarant to an ultimate Owner, the Declarant may amend this Declaration in any legal fashion which the Declarant may deem appropriate. In addition, the Declarant may amend this Declaration or the By-Laws in any manner which will not materially adversely affect those Owners other than the Declarant by recording the amendment or amendments at any time before the conveyance of the last Lot the Declarant owns or reserves the right to build in the Property.

(ii) By Resolution. An amendment may be proposed by either the Board of Directors or by at least twenty (20%) percent of the Owners or by the Declarant. No proposed amendment shall be effective unless it has been adopted by the affirmative vote of at least sixty-seven (67%) percent of the Owners other than the Declarant and approved in writing by the Declarant (if the Declarant still owns any Lots). Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Community Association at

which a proposed amendment is to be considered, and shall be served upon all Members in the manner hereinafter provided for service of notices,

(iii) By Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by at least sixty-seven (67%) percent of Owners and approved by the Declarant (if the Declarant still owns any Lots) in the manner required for the execution of a deed.

(b) No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant unless the Declarant shall join in the execution of the amendment.

(c) Any election to remove this Declaration from record or to terminate the legal status of the Community Association shall require the approval of the Eligible Mortgagees of at least sixty-seven percent (67%) percent of the first mortgage liens on the Lots.

Any abandonment partition subdivision, encumbrance, sale or transfer of any of the Common Facilities (except for granting easements for utilities or other public purposes consistent with the intended use of the Common Facilities) by act or omission shall require the prior written approval of the Eligible Mortgagees of at least sixty-seven (67%) percent of the first mortgage liens on the Lots.

(e) The consent of at least sixty-seven (67%) percent of Owners, and the consent of the Declarant (if the Declarant owns any Lots), and the consent of the Eligible Mortgagees of at least fifty-one (51%) percent of the first mortgage liens on the Lots (measured by amount secured), shall be required to add or amend any material provisions of this Declaration or the By-Laws which establish, provide for, govern or regulate any of the following:

- (i) Voting;
- (ii) Assessments or assessment liens or subordination of liens;
- (iii) Termination of reserves for maintenance, repair and replacement of the Common Facilities;
- (iv) Insurance or fidelity bonds;
- (v) Rights to use the Common Facilities;
- (vi) Responsibility for maintenance and repair of the Common Facilities;
- (vii) Interests in the Community Association and rights to the Common Facilities; and
- (viii) Any provisions which are for the express benefit of Eligible Mortgagees.

(f) Any addition or amendment to this Declaration or the By-Laws shall not be considered material if it is for the purpose of correcting technical errors. An Eligible Mortgagee who receives a written request to approve additions or amendments to this Declaration or the By-laws and who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved the request.

(g) A copy of each amendment shall be attached to or included with a certificate, certifying that the amendment was duly adopted which certificate shall be executed and acknowledged by the officers of the Community Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Office of the Department of Records for Philadelphia County.

(h) If any amendment, of this Declaration or the By-Laws is necessary in the judgment of the Board of Directors to change, correct or supplement anything appearing or failing to appear therein which is incorrect, defective or inconsistent with anything in either this Declaration or the By-Laws, or if an amendment is necessary to conform to the requirements of FNMA, FHLMC, HUD or VA or other institutional purchasers, guarantors or insurers of first mortgage liens with respect to the Property, the Board of Directors may at any time and from time to time effect an appropriate corrective amendment without the approval of the Owners or any Eligible Mortgagees upon receipt by the Board of Directors of an opinion from counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment shall be effective upon its recording.

SECTION 20. Duration; Dissolution;

(a) The covenants and restrictions of this Declaration shall run with and bind the land.

(b) Upon dissolution of the Community Association and termination of this Declaration, the real and personal property of the Community Association shall become the assets of the Owners, who are Owners at the time of the dissolution, as tenants-in-common.

SECTION 21. Notices. All notices required to be served upon Owners pursuant to this Declaration or the By-Laws shall be sufficient if delivered to the Dwelling or mailed to the Owner at the Dwelling mailing address by regular mail and if delivered or mailed to the Declarant at the business office of the Declarant, The effective date of a notice shall be the date of delivery to the Dwelling or the Declarant's business office in the case of actual delivery and a date five (5) days after deposit in the mail in the case of notice sent by mail.

SECTION 22. Eligible Mortgagees.

(a) Upon written notice to the Community Association identifying the name and address of the Eligible Mortgagee and the designation of the particular Lot or Lots against which it holds, insures or guarantees a first mortgage lien, an Eligible Mortgagee shall be entitled to timely notice of:

(i) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Lot on which there is a first mortgage held, insured or guaranteed by the Eligible Mortgagee, as applicable;

(ii) Any delinquency for a period of 60 days in the payment of Assessments or charges owed or any other default, in the performance of any obligation under this Declaration, the By-Laws or any rules or regulations of the Community Association by the Owner of a Lot against which the Eligible Mortgagee holds, insures or guarantees a first mortgage lien;

(iii) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Community Association;

(iv) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified above.

(b) Any restoration or repair of the Property, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Plats and Plans, and the original plans and specifications, unless other action is approved by the Eligible Mortgagees of at least fifty-one (51%) percent of the first mortgage liens on the Lots.

SECTION 23. General. If any provisions of this Declaration are determined to be invalid, that determination shall not affect the validity or effect of the remaining provisions hereof; the By-Laws, or any rules and regulations, all of which shall continue in effect as if the invalid provisions had not been included herein. The headings herein are for reference purposes only and shall not affect the meaning or interpretation of this Declaration. This Declaration shall become effective when it has been duly entered of record. This Declaration shall inure to the benefit of and shall be binding upon the Declarant's successors and assigns and each Lot Owner's heirs, personal representatives and assigns.

SECTION 24. Waivers. Declarant, the Community Association and one or more Owners (the "Parties") may from time to time enter into agreements amending, modifying or supplementing this Declaration or changing the rights of the Parties hereunder or thereunder, and the Declarant or the Community Association may from time to time grant waivers or consents to a departure from the due performance of the obligations of one or more Owners hereunder. Any such agreement- waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing. In the case of any such waiver or consent relating to any provision hereof, any default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent default or impair any right consequent thereof.

No course of dealing or no delay or failure of any Party in exercising any right, power or privilege under this Declaration, shall affect any other or future exercise thereof or exercise of any other right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Parties under this Agreement are cumulative and not exclusive of any rights or remedies which the Parties would otherwise have under the other Loan Documents, at law or in equity.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the day and year first written above.

PHILADELPHIA HOUSING AUTHORITY

By: _____
Name:
Title:

COMMONWEALTH OF PENNSYLVANIA)

) ss.:

COUNTY OF PHILADELPHIA)

On this ____ day of _____, 2005, before me, _____, personally appeared _____, known to me or proven on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as the _____ of Philadelphia Housing Authority, and that, by his signature on the instrument, the entity on behalf of which he acted executed the instrument.

Notary:

Print Name: _____

My commission expires: