

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

LIONS GATE

MONTGOMERY COUNTY COMMISSIONERS REGISTRY

34-00-00595-00-1 FRANCONIA

335 W. BROAD ST

LIONS GATE ASSOCIATES LP

B 003 U 124 L 2 1101 DATE: 10/07/96

## DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration"), is made this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by LIONS GATE ASSOCIATES, L.P., a Pennsylvania limited partnership. This Declaration shall be recorded in the Office of the Recorder of Deeds in and for Montgomery County, Pennsylvania.

SECTION 1. Name. The name by which the Property shall hereafter be identified is Lions Gate (the "Community").

SECTION 2. Definitions. The following terms when used herein and in the By-Laws of the Lions Gate Homeowners Association shall have the meanings set forth below:

(a) "Assessments" shall mean those levies, assessments or sums payable by one or more Owners from time to time upon notification by the Community Association, as provided herein.

(b) "Association" or "Community Association" shall mean the Lions Gate Homeowners Association, a Pennsylvania nonprofit corporation, being an association of all Owners, which shall have the duties and powers established in this Declaration and in the By-Laws.

(c) "Board of Directors" or "Board" means a group of natural individuals of the number stated herein and in the By-Laws, who shall manage and administer the business, operation and affairs of the Community Association on behalf of the Owners. Individual members of the Board of Directors shall be referred to as Directors.

(d) "By-Laws" means the governing regulations adopted pursuant to this Declaration for the regulation and management of the Property and Administration of the Community Association, including any amendments thereto adopted from time to time.

(e) "Clubhouse" means the existing stone house located in Lions Gate North, which shall serve as a gathering place and clubhouse for all Owners.

(f) "Activities Center" means the brick building located next to the swimming pool in Lions Gate South, which shall serve as a gathering place and exercise center for all owners.

(g) "Cluster" means a group of dwellings which are connected to one another and which share common party walls.

(h) "Common Expenses" means and includes expenses for which the Owners are liable as provided herein, including, but not limited to, expenses of administration, maintenance, repair and replacement of the Community Facilities, and expenditures made or liabilities incurred by or on behalf of the Association, together with

any allocations to reserves, and all other expenses or charges levied or to be levied pursuant to this Declaration or the By-Laws against all Owners.

(i) "Community Facilities" shall include the open space areas, the landscaped areas surrounding each Cluster (other than the Dwelling Yards), the buffer areas around the perimeter of the Property, the storm water management system, street lighting, all roads, Driveways, sidewalks, and parking areas, the entrance gate and the Emergency Access Road, the Clubhouse, the Activities Center, the Pool , the Tennis courts and any other portion of the Property not included in any Lot, to the extent such facilities are neither dedicated nor to be dedicated to the Township, and all other facilities which the Community Association may hereafter own, acquire or construct.

(j) "Common Parking Areas" means the parking areas available for guests and visitors, as labeled on the Plan.

(k) "Driveway" means the portion of a driveway directly in front of a Dwelling's garage.

(l) "Passenger Vehicle". According to public standards, definition and acceptance, a passenger vehicle is any non-commercial motorized vehicle designed for the exclusive purpose of carrying passengers.

(m) "Dwelling" means any structure erected or to be erected on the Property intended to be used for residential purposes and for single-family occupancy.

(n) "Dwelling Yard" means the area of land surrounding each Dwelling on two (2) sides, extending approximately (i) three feet (31) from the Dwelling footprint along the side of the Dwelling that is not adjacent to the sidewalk and (ii) six feet (61) from the Dwelling footprint along the side of the Dwelling that is adjacent to the sidewalk, including such sidewalk, which, when combined with a Dwelling, comprises a Lot.

(o) "Eligible Mortgagee" means the holder, insurer or guarantor of a first mortgage lien on one or more Dwellings or Lots who shall have provided to the Community Association a statement of its name, address and the Dwelling(s) against which it holds, insures or guarantees a first mortgage lien.

(p) "Emergency Access Road" means the emergency access road to the Property as labeled on the Plan.

(q) "Limited Charges" means charges which the community Association shall have the right to assess against any one or more Dwellings to provide services which are exclusively for those Dwellings.

(r) "Lot" means the separate parcel of land which is shown on the filed and recorded Plan approved by Franconia Township upon which a Dwelling is erected.

(s) "Management Agreement" means an agreement by and between the Association and a professional management company, for the provision of residential management services.

(t) "Members" means all Owners, as Members of the Community Association.

(u) "Owner" means the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is situate within the Property, but excluding those persons having an interest merely as security for the performance of an obligation.

(v) "Plan" means the Final Site Improvement Plan, approved by Franconia Township and recorded in the Office of the Recorder of Deeds in and for Montgomery County, Pennsylvania, on \_\_\_\_\_, in Plan Book \_\_\_\_\_ showing the Property.

(w) "Pool" means the swimming pool adjacent to the Activities Center, for the use and enjoyment of all Owners and their guests.

(x) "Property" means the real property located in Franconia Township, as defined by township records.

(y) "Township" shall mean Franconia Township, Montgomery County, Pennsylvania.

SECTION 3. Applicability; Additional Property; Interpretation.

(a) This Declaration shall be applicable to the Property. All present and future Owners and occupants of Dwellings and Lots and each of their guests, licensees, servants, agents, employees, and any other person or persons who shall be permitted to use the Community Facilities described in this Declaration, shall be subject to this Declaration, the By-Laws and any rules and regulations which the Board of Directors shall promulgate from time to time to govern the conduct of the Owners and occupancy of the Property. Ownership or occupancy of any of the Dwellings in the Property shall be conclusively deemed to mean that the Owner or occupant has accepted, ratified and will comply with this Declaration, the By-Laws and any rules and regulations of the Community Association.

(b) In the event of a conflict of interpretation between the provisions set forth in the By-Laws and this Declaration, this Declaration shall govern, except to the extent this Declaration is inconsistent with applicable law.

SECTION 4. Owners' Use; 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 Community Facilities, which right shall be appurtenant to each Dwelling and shall pass with title to every Dwelling, subject,

nevertheless, to the other provisions of this Declaration. Each Owner and authorized guest shall have the right to use Community Facilities at his or her own risk.

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

(c) No Owner may make any changes, additions, improvements or alterations of any kind or do any work to any of the Community Facilities. No Owner shall impair any easement within the Community Facilities without the unanimous consent of all of the Owners affected thereby.

#### SECTION 5. The Community Association.

(a) The Community Association is the governing body for all of the Owners and is responsible for (i) the maintenance, repair, replacement, management, operation and administration of the Community Facilities; (ii) any additions or improvements to the Community Facilities; (iii) lawn cutting and fertilization on the Community Facilities; and (iv) street scape landscaping including bushes, plants and trees on the Community Facilities. The Community Association will not be responsible for snow or ice removal from any portion of the sidewalks or Dwelling Yards, and each Owner shall defend, indemnify and hold the Association and their respective officers and agents harmless from any suits, claims, liabilities, costs and expenses (including, without limitation, attorney fees) incurred by any of them due to any injury to person or property sustained by an Owner or his or her guests or invitees as a result of snow or ice anywhere on the Property.

(b) The Association may employ a professional management company to carry out and perform the duties of the Association set forth in this Declaration. Such management company shall be the managing agent for the Association.

(c) The Common Expenses incurred or to be incurred for the utility services, maintenance, repair, replacement, management, operation and use of the Community Facilities and the making of any additions or improvements thereto shall be assessed by the Community Association against and collected from the Owners in accordance with Section 13 hereof. Common Expenses benefiting fewer than all of the Dwellings may be assessed exclusively against the Dwellings benefited.

(d) The time and extent of the foregoing maintenance, repair and replacement obligations of the Community Association shall be determined solely by the Board of Directors. Except as specified in Subsection 5(a) above, all aspects of repair, maintenance and replacement of all portions of an Owner's Lot or Dwelling shall be the

responsibility of the Owner according to standards as defined by the Board. All maintenance, repair and replacement of portions of the Community Facilities shall be the responsibility of the Community Association; 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 of the Owner(s) or occupant(s) of any particular Dwelling(s) shall be charged as Limited Charges to those Owner(s).

(e) To the extent maintenance, repair and replacement by an Owner may involve possible damage to the Community Facilities or other Dwellings, the work shall be performed only with the prior 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.

(f) 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 Community Facilities to the extent reasonably related to the Community Association's maintenance, repair and replacement obligations hereunder.

#### SECTION 6. Membership in the Community Association.

(a) All persons upon acceptance of the deed to their Dwellings shall become Members of the Community Association and shall be obligated to pay all Assessments levied by the Community Association against their Dwellings. Except as otherwise provided, membership in the Community Association shall be limited to the Owners of Dwellings subjected to this Declaration. 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) Owners shall be entitled to one (1) vote for each Dwelling they own.

(c) When more than one person holds an interest in any Dwelling, all persons holding such interest shall be one Member collectively, and the vote for the Dwelling shall be exercised as provided in Section 6 (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 Dwelling.

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

(e) In the event that an Owner shall permit another to occupy his or her Dwelling in accordance with the provisions of this Declaration, the occupant shall be permitted to use and enjoy the Community Facilities but shall not vote in the affairs of the Community Association, except when the Owner shall permit the occupant to exercise the proxy vote of the Owner.

(f) Every lawful transfer of title to a Dwelling shall include membership in the Community Association and, upon making this transfer, the previous Owner's membership shall automatically terminate. Except as otherwise expressly provided, membership in the Community Association may not be assigned or transferred without the transfer of legal title to a Dwelling and any attempt at assignment or transfer thereof shall be void and of no effect. A copy of all Rules and Regulations, By-Laws, and Declaration of Covenants shall be given to new owners at time of settlement.

(g) If a Dwelling is owned by more than one person and there is a conflict between or among the Owners of the Dwelling as to how the vote associated with the Dwelling should be cast, the vote shall be deemed included for purposes of determining a quorum but the conflicting votes cast by Owners of the Dwelling shall otherwise void the vote associated with the Dwelling. If a Dwelling is owned by a corporation, the officer or employee thereof entitled to cast the vote(s) of the Dwelling 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.

#### SECTION 7. 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 duration and number of the Directors shall be determined in accordance with the applicable provisions of this document, but with an established minimum of at least three (3) members.

(b) An election shall be held at the Annual Meeting to elect one director for a term of three (3) years. Only one (1) term will expire and one director will be elected in any given year. However, should the number of directors increase, as referenced in (7a), number of terms which expire and number of directors elected in any given year will be adjusted accordingly.

SECTION 8. Community Association The Community Association has responsibility for the management, operation, maintenance, insurance, repair and replacement of Community Facilities and for the costs and expenses associated with such Community Facilities. .

#### SECTION 9. 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 Two Million (\$2,000,000) Dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. This insurance shall include protection against liability for the property of others, and any other 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 in all Community Facilities. 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 Community Facilities which are located on a Lot(s), including, without limitation, portions of private roads 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.

(b) Each Owner shall be individually responsible for maintaining "all risk" hazard, and, if applicable, flood insurance coverage for his or her Dwelling and the fixtures installed therein and for all personal property of the Owner in a company or companies acceptable under the standards set by the Board of Directors in an amount equal to the maximum insurable replacement value, providing for no "co-insurance", and containing an "agreed amount endorsement" or its equivalent, and, if available, an "Inflation Guard Endorsement". In the event of damage or destruction to a Dwelling, the Owner shall repair or replace the Dwelling. A copy of each owner's insurance policy shall be forwarded to the Management Company to verify proper coverage.

(c) All policies purchased by the Association shall be purchased for the benefit of the Association, the Board of Directors, all Owners, and all Eligible Mortgagees, as their interests may appear; however, the Association shall be the named insured and it shall not be necessary to name the Board of Directors, or the Owners. Mortgagee endorsements may be issued upon request. The Association shall maintain the appropriate insurance coverage as is required under applicable law 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 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 waiver of the right of

subrogation against the Owners individually; 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 has other insurance covering the same loss. Policies purchased by the 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 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 Community. 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 shall also obtain the following insurance coverage and endorsements which may be applicable to the Community 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 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 20 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 Board of Directors and their respective servants, agents and guests.

(h) Notwithstanding the duty of the Board of Directors to maintain and repair the Community 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 Dwelling by an Owner or the occupant of any Dwelling is otherwise permitted hereunder, the Community Association shall have the right to charge the Owner of the Dwelling for any increase in insurance premiums payable by the Community Association occasioned thereby. No Dwelling 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 Dwelling being required to bear the full amount of any increase in premiums payable by the Community Association. No Dwelling 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.

#### SECTION 10. Easements.

(a) All the Property, including the Dwellings, 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 and sanitary sewage services and other utility services and the facilities and appurtenances necessary to the same, for the purpose of providing utility services to (i) any or all of the Dwellings in a Cluster, and (ii) any or all of the Community Facilities (including the placement of one or more utility meters on the exterior of any Dwelling to measure utility usage for that Dwelling, for the entire Cluster of which that Dwelling forms a part, or for any Community Facility), which easement shall run in favor of the Community Association and the entity or entities owning 'or operating these facilities and providing the aforementioned services. The Board of Directors shall have the right to grant to third parties additional utility easements which are deemed reasonable by the Board of Directors in connection with the supply of utility services to the Dwellings or the Community 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 Community Facilities therein or accessible there from or the making of any addition or improvements thereto or to make other repairs to any Dwelling and the Community Facilities (if these repairs are reasonably necessary for public safety or to prevent damage to the Community 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. The cost of the repairs made to any Dwelling shall be chargeable to the Owner of the Dwelling.

(c) If any portion of the Community 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 Community 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 Community Facilities, a valid easement appurtenant to the encroaching Dwellings or Community Facilities for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist.

(d) The rights and duties of the Owners of Dwellings within the Property with respect to sanitary sewer, storm sewer, water, electricity, telephone lines and facilities shall be governed by the following:

(i) Wherever sanitary sewer house connections and/or water house connections or electricity or telephone lines are installed within the Property, which connections or any portion thereof lie in or upon a Lot owned by the Owner of a Dwelling served by these connections and the Community Association shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lot or Dwelling and to have the utility companies or authorities enter upon the Lot or Dwelling in or upon which the connections, or any portion thereof, lie, to repair, replace and generally maintain the connection as and when they may deem the same necessary. The Community Association shall be responsible for restoring the surface of the easement area to the same condition which existed prior to the use to the extent that the utility company or authority is not so responsible or has not done so.

(ii) Wherever sanitary sewer house connections and/or water house connections or electricity or telephone lines are installed within the Property which connections serve more than one Dwelling, the Owner of each Dwelling served by the connection shall be entitled to the full use and enjoyment of the portions of the connections as serve his or her Dwelling or Lot.

(iii) In the event of a dispute between Owners with respect to repair or rebuilding of these utility 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.

(e) Each Owner 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.

(f) Each Owner shall have an exclusive use easement through, over and across the Driveway in front of such Owner's Dwelling for vehicular ingress and egress to the garage which is a part of such Dwelling. No Owner other than the Owner of the Dwelling adjacent to a Driveway shall use such Driveway for the parking of any vehicles at any time, or shall otherwise use such Driveway in a manner that in any way restricts vehicular access to the adjacent Dwelling's garage.

(g) The foregoing easements shall run with the land and inure to the benefit of and be binding upon the Community Association, each Owner, each Eligible

Mortgagee and each occupant or other person having any interest in any Dwelling or in the Community Facilities at the time of reference. In addition, the easements set forth in Sections 12 (a) and (b) above shall inure to the benefit of the Township in so far as required to permit the Township to exercise its rights under Section 25 hereof.

SECTION 11. Assessments.

(a) Each Owner of any Dwelling 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 non-payment 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 Dwellings to provide services which are exclusively used for these Dwellings. 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 Dwelling at the time when the Assessment became due.

(b) The Association shall assess to each purchaser of a Dwelling an amount determined by the board of directors as a non-refundable contribution to the Association which amount may be used from time to time as revenues of the Association for the purposes deemed appropriate or desirable by the Board of Directors.

(c) An Owner shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the Community Facilities damaged by his or her act, omission or negligence or by the act, omission or negligence of his or her agents, guests or licensees, promptly upon receipt of the 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 Association as determined by the Board of Directors and, to the extent not used, may be credited to the Owners to reduce their future Assessments.

(e) Except as otherwise provided in this Declaration, payment of Assessments by the Owner 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 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 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 Association shall constitute a lien against the Lot and Dwelling in favor of the 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 Community is situate of a claim of lien stating the description of the Dwelling, 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 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 or her sole expense.

(g) Any Assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at a rate determined by the board of directors. 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.

(h) Any Assessment charged against an Owner may be enforced by a lawsuit brought by the Board of Directors on behalf of the 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 which are available at law or in equity. In addition to these rights and remedies available to the Association, the Association shall have the right to revoke the rights of an Owner in the Association, including the right to vote; provided the 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.

(i) In the event that title to a Dwelling is transferred by sheriff's sale pursuant to execution upon any lien against the Dwelling, the Board of Directors may give notice in writing of any unpaid Assessments, which are a charge against the Dwelling 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 or her 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 acquire of title at the sheriff's sale, his or her successors and assigns. To protect its right to collect unpaid Assessments which are a charge against a Dwelling, the Board of Directors may, on behalf of the Owners, purchase the Dwelling 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 Dwelling to any person whatsoever.

(j) Upon the voluntary sale or conveyance of a Dwelling, or any other transfer, by operation of law or otherwise, except a transfer described in Subsection (k) 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 Dwelling 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, in 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 Dwelling, 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 Dwelling shall be entitled to obtain a written statement from the Treasurer of the Association setting forth the amount of the unpaid Assessments charged against the Dwelling 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 Dwelling after transfer thereof shall be liable for the payment of the amount in excess of the unpaid Assessments shown on the statement.

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

#### SECTION 12. Transfer of Dwellings.

(a) Subject to the terms of Section 14 below, any Owner may, at any time, transfer ownership in the Lot and Dwelling (which must include his or her

membership in the Association) to any other person, and it shall not be necessary to secure the prior consent of the Association, Board of Directors or any other Owner.

### SECTION 13. Mandatory Disclosure to Purchaser

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

(b) Upon the sale of the Dwelling, the selling Owner shall furnish a certificate issued by the Association containing the following information:

(i) a statement of the then current amount of the Assessments payable annually and any unpaid Assessments currently due and payable from the selling Owner;

(ii) a statement of any other fees payable by the selling Owner;

(iii) a statement of any special Assessments for capital expenditures currently proposed or adopted by the Association for the current and next two succeeding fiscal years, if these have been determined;

(iv) a statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the Association for any specified project;

(v) a copy of the most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(vi) a copy of the current operating budget of the Association;  
and

(vii) a statement describing any insurance coverage which may be provided for the benefit of owners.

(c) The Association shall fully cooperate in the preparation and provision of this information certificate to a selling Owner within fifteen (15) 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 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 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 14. Age Restrictions.

(a) Pursuant to the provisions of the Federal Fair Housing Act (the "Act") , as amended from time to time hereafter, it is the declared policy of the Association to provide "housing for older persons" as that term is defined in 42 U.S.C.A. § 3607(b)(2)(C), at Lions Gate. Accordingly, the Property is intended for occupancy by at least one person fifty-five (55) years of age or older per Dwelling, and in all events and notwithstanding the provisions of subsection (b) below, at least eighty percent (80%) of the Dwellings shall be occupied by at least one person fifty-five (55) years or older at all times.

(b) At all times, each Dwelling shall be occupied by at least one person fifty-five (55) years or older, except under the following circumstances;

(i) a widow or widower or adult child under the age of fifty-five (55) years, whose deceased spouse or parent, as applicable, was over the age of fifty-five (55) years and lived with such widow or widower or adult child in the Dwelling at the time of his or her death; and

(ii) any adult child or children of such widow or widower, who lived in the Dwelling at the time of the deceased spouses death and who continues to reside at the Dwelling with such widow or widower.

(c) No person under the age of eighteen (18) shall be permitted to reside in any Dwelling, at any time, regardless of any such person's relation to an Owner. Nothing in this Section 14 shall prohibit the temporary visitation and occupancy, not totaling more than ninety (90) days in any twelve (12) month period, of any Dwelling by the Owner's family members of any age.

(d) The Board of Directors shall adopt and promulgate rules and regulations to confirm and maintain the Property's compliance with the Act. The Board of Directors is hereby expressly authorized, empowered and directed to conduct annual surveys and audits of the Owners and other residents at the Property to ensure compliance with the provisions of this Section 14, and all Owners shall complete such surveys promptly and completely upon receipt thereof.

SECTION 15. Use Restrictions.

(a) Each dwelling shall be used for residential purposes only.

(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 other Dwelling or the Community 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 or her Lot.

(c) No part of the Property shall be used by any Owner, guest or invitee as a playing field for games of any kind, including, but not limited to, ball games and frisbee games.

(d) 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 Community Facilities without the prior written approval of the Board of Directors.

(e) Each 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.

(f) Each Dwelling Yard shall be maintained in a safe, clean and sanitary manner, in good order and repair, with landscaping which compliments the design and tone of the Community Facilities, landscaping. The Dwelling Yards may only be used for planting flowers, flowering plants or ground covers, and any other proposed use must be approved in writing in advance by the Association. Each Owner shall be responsible for maintaining the appearance of his or her Dwelling Yard, including trimming overgrowth and weeding flower and plant beds.

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

(h) Except for a single non-illuminated address number sign to a Dwelling 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 Community 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 sign of any kind on any Lot except in compliance with Section 16(c) hereof.

(i) No Owner or occupant may obstruct the Community Facilities in any way including, but not limited to the roads and sidewalks. No Owner or occupant may store anything in or on the Community Facilities without the prior written approval of the Board of Directors.

(j) No vehicle may be parked in any Common Parking Area for more than forty-eight (48) consecutive hours unless special permission is granted by the management company. The Common Parking Areas may be used only by guests of the Owners.

(k) Dwellings may only be used as single-family residences. No commercial, industrial or professional activity shall be carried on in any Dwelling at any time. No Owner shall permit his or her Dwelling to be used or occupied for any prohibited purpose.

(l) No animals of any kind shall be kept or bred in any Dwelling, other than dogs or cats which are kept as household pets; provided that in no event shall any more than two (2) 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 Community Facilities. Pet Owners shall immediately clean up any waste left by pets anywhere on the Property.

(m) No portion of the Property shall be used or maintained as a dumping or storage ground for rubbish, trash, new or used lumber or wood, metal scrap, garbage or other waste. Refuse materials shall be placed in containers only in designated areas and only on the day these refuse materials are to be collected. Each Owner is responsible for securing own trash. Empty containers shall be removed promptly after collection and may not be stored on the exterior of the premises.

(n) No Owner or occupant shall erect or maintain an exterior antenna on any Lot or Dwelling. An Owner may install a satellite dish with the prior written approval of the Board of Directors, provided that the placement and use of such satellite dish does not interfere with other Owners' use and enjoyment of the other Dwellings and Dwelling Yards in the Cluster. Application for such approval shall in all cases include a detailed landscaping plan to conceal the dish from view from the remainder of the Cluster and the Property, and any consent by the Board of Directors will be conditional upon installation, maintenance and replacement of such landscaping.

(o) 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.

(p) Driveways, roads and 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, and in accordance with the terms and conditions of this Declaration. 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, including but not limited to the Driveways, 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.

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

(r) 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. 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.

(s) No tents, storage tanks, sheds, play houses, swing sets or accessory buildings or structures shall be erected or permitted to remain on the Property or any Lot without the prior written approval of the Board of Directors.

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

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

(v) No Owner, or agent or invitee of any Owner, shall use, block, or otherwise restrict ingress and egress to the Emergency Access Road at any time.

#### SECTION 16. Regulated Activities.

(a) No building, fence, wall or other structure or improvement (including, but not limited to, landscaping or plantings (other than annual plantings in Dwelling Yards)) 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, doors, windows, paint, siding or roofing) or alteration or addition be made to any Dwelling which alters the external appearance of the Dwelling or the Lot, prior to submitting an application for review and approval, which approval will not be unreasonably withheld.

(b) Each Owner shall submit by certified mail, return receipt requested to the President of the Association, plans and specifications showing the nature, kind, shape, height, materials, finish, colors and location of the Owner's proposed changes, alterations or additions to any portion of the Lot. The submission shall contain proof of compliance with all applicable codes, laws and ordinances. All proposed fencing must be standard four-foot (4') picket fencing. The Association shall have the right to request additional information, plans and materials concerning any proposed alterations, additions and improvements. In the event the 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 Association have been submitted, approval will be deemed to have been denied. The 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 his or her Dwelling shall provide to the 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 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 Association, a sign displaying such name and telephone number and the words "For Sale" using in all cases a single uniform size and format for each such sign that will be consistent with other signage on the Property. No other sign of any kind shall be permitted on any Lot or Dwelling except as set forth in Section 17(f).

#### SECTION 17. The Clubhouse and the Pool.

(a) The Clubhouse and the Pool shall at all times be under the exclusive control and jurisdiction of the Board of Directors, which shall have the absolute right to regulate the nature, extent and frequency of use thereof (including, without limitation, to ban such use entirely if the cost thereof would, in the Board's judgment, be prohibitive).

(b) The Clubhouse and the Pool shall be available for the exclusive use and enjoyment of the Owners and their guests, in accordance with the rules and regulations relating to the Clubhouse and the Pool that are promulgated by the Board of Directors from time to time.

(c) The Board of Directors shall have the right to impose reasonable fees for the use of the Clubhouse and the Pool, the proceeds of which shall be used to defray the costs of insuring, maintaining and repairing the Clubhouse and the Pool. The Board of Directors shall publish the fee schedules for the Clubhouse and the Pool, if any, in the rules and regulations of the Property.

#### SECTION 18. Compliance and Default.

(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 Dwellings, and the Community 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 promptly after the adoption thereof and shall become binding upon all Owners

and occupants of Dwellings, their successors and assigns.

(c) Failure of an owner to comply with any provision of this Declaration or the By-Laws or any rules and regulations adopted pursuant thereto shall entitle the 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: The Association or any aggrieved Owner shall be able to sue for the recovery of damages or for injunctive relief, or both; provided that the Owner has exhausted his or her remedies provided for herein. This relief shall not be exclusive of other remedies provided by law.

(ii) Costs and 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 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 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 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 Association, or the 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.

SECTION 19. Indemnification of Officers, Directors and Committee Members. The Association shall indemnify every Director, officer and committee member, his or her heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he may be made a party by reason of his or her being or having been a Director, officer or a committee member of the 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 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 Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as Common Expenses; provided, however, that nothing contained in this Section shall obligate the Association to indemnify any member of the 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 or her under and by virtue of his or her membership in the Association.

SECTION 20. Amendments.

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

(i) The terms of the following Subsections shall apply; provided, however, that any other provisions of this Declaration setting forth other conditions imposed upon amending this Declaration shall take precedence.

(ii) By Resolution: An amendment may be proposed by either the Board of Directors or by at least twenty (20%) percent of the Owners. No proposed amendment shall be effective unless it has been adopted by the affirmative vote of at least sixty-seven percent (67%) of the Owners. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the 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 in the manner required for the execution of a deed.

(b) Any election to remove this Declaration from record or to terminate the legal status of the Association after substantial destruction or a substantial taking in condemnation of the Property shall require the approval of the Eligible Mortgagees of at least fifty-one percent (51%) of the first mortgage liens on the Dwellings. Any other abandonment or termination of the Association or revocation of this Declaration by act

or omission shall require the prior written approval of the Eligible Mortgagees of at least sixty-seven percent (67%) of the first mortgage liens on the Dwellings.

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

(d) The consent of at least sixty-seven percent (67%) of, and the consent of the Eligible Mortgagees of at least fifty-one percent (51%) of the first mortgage liens on the Dwellings 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) Reserves for maintenance, repair and replacement of the Community Facilities;
- (iv) Insurance or fidelity bonds;
- (v) Rights to use the Community Facilities;
- (vi) Responsibility for maintenance and repair of the Community Facilities;
- (vii) Expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property;
- (viii) Interests in the Association and rights to the Community Facilities; and
- (ix) Any provisions which are for the express benefit of Eligible Mortgagees.

(e) Any addition or amendment to the Association Documents 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 the Association Documents 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.

(f) 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 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 Recorder of Deeds for Montgomery County.

(g) 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.

(h) Notwithstanding anything to the contrary contained herein, no provision of this Declaration granting any rights or powers to the Township (including, without limitation, Section 26) may be amended without the prior written consent of the Township.

#### SECTION 21. Duration; Dissolution.

(a) The covenants and restrictions of this Declaration shall run with and bind the land, for a term not to exceed twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated, at least six (6) months before the commencement of any extension, by a vote of not less than seventy-five percent (75%) of Owners, evidence of which shall be recorded.

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

(c) The Association shall request the approval of the Township of any termination of this Declaration. In the event the Township does not respond to the Association's request within thirty (30) days from the date of the Association's request, the request shall be deemed approved.

SECTION 22. 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. The effective date of a notice shall be the date of delivery to the Dwelling 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 23. Eligible Mortgagees.

(a) Upon written notice to the Association identifying the name and address of the Eligible Mortgagee and the designation of the particular Dwelling or Dwellings 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 Dwelling 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 Association by the Owner of a Dwelling 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 Association;

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

(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 Plan, and the original plans and specifications, unless other action is approved by the Eligible Mortgagees of at least fifty-one percent (51%) of the first mortgage liens on the Dwellings.

SECTION 24. Township as Beneficiary.

(a) The Township shall be a third party beneficiary of the provisions of this Declaration requiring the Association to maintain the open space. The Township shall have the right (subject to the notice and grace provisions set forth below), but not the obligation, to enforce the restrictions, conditions and covenants of this Declaration regarding the Community Facilities in the event that the Association shall fail to do so. The Township shall have the right to compel the maintenance of the open space in the event of the Association's failure to fulfill its obligations. In the event that the Township reasonably believes that the Association has not enforced any of the material provisions of this Declaration affecting the Community Facilities, the Township shall give the Association written notice of such default, and if the Association fails to cure such default within thirty (30) days after receipt of such notice (or if the default cannot reasonably be cured within thirty days, if the Association fails to commence such cure within thirty (30) days or to diligently pursue such cure to completion thereafter), the Township may take such steps as the Township deems reasonably necessary to cure such default, and the cost of such cure shall be borne by the Owners of the Dwellings pursuant to Section 13 hereof. For this purpose, the Township shall have the right to impose a lien on each Dwelling and Lot, and shall further be entitled to exercise any

other rights and remedies it may have at law or in equity to collect the amounts disbursed by the Township to cure such default.

(b) The Association shall indemnify and hold the Township harmless from and against all loss, costs and expenses, including reasonable counsel fees, reasonably incurred by the Township in connection with any action, suit or proceeding to which the Township may be made a party by reason of the location, design, installation, construction and maintenance of the Community Facilities, unless such claim arises from the gross negligence or willful misconduct of the Township.

SECTION 25. 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. Number and gender, as used in this Declaration, shall extend to and include both singular and plural and all genders as the context and construction require.

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

LIONS GATE ASSOCIATES, L.P.

By: \_\_\_\_\_

Title: \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA :  
:  
COUNTY OF MONTGOMERY :

On this, the \_\_\_\_\_ day of \_\_\_\_\_, 2003, before me, the undersigned officer, personally appeared \_\_\_\_\_, who acknowledged himself to be the President of Senior Citizens Development Co., the general partner of LIONS GATE ASSOCIATES, L. P., a Pennsylvania limited partnership, and that he, as such President of such general partner, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the partnership by himself as (Vice) President of such general partner.

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

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_