

WALNUT RIDGE HOME OWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AS IN DEED BOOK 4143 PAGE 209.

This Declaration made on the date hereinafter set forth by GAMBONE BROS. DEVELOPMENT CO. of 1030 W. Germantown Pike, Fairview Village, Montgomery County, Pennsylvania, hereinafter referred to as Declarant.

WITNESSETH: WHEREAS, Declarant is the owner of a certain property consisting of Forty acres more or less situate at the intersection of Kepler Road and Buchert Road, Lower Pottsgrove Township, Montgomery County, Pennsylvania, which is hereinafter referred to as "Properties" and is more particularly described in Exhibit A, attached hereto and made a part hereof;

NOW, THEREFORE, Declarant hereby declares that the Properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each Owner thereof.

ARTICLE I: DEFINITIONS:

1.01 "Association" shall mean and refer to Walnut Ridge Home Owners Association, Inc. its successors and assigns.

1.02 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.03 "Properties" shall mean and refer to that certain real property hereinbefore described.

1.04 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners, including but not limited to all utility liens and other common facilities situate upon or beneath the Common Area. The common area to be owned by the Association consisting of 35.596 acres, more or less, being the premises as fully described in Exhibit A attached hereto, excepting and reserving thereout and therefrom those 42 buildings comprising the 312 plots of land or parcels designated by unit numbers on the Development Plan of Walnut Ridge Estates recorded in Plan Book A - 26 page 19 - A.

1.05 "Lot" shall mean and refer to any plot of land or parcel shown on any record subdivision map of the Properties with the exception of the Common Area.

1.06 "Declarant" shall mean and refer to Gambone Bros. Development Co. its successors and assigns if such successors and assigns should acquire more than one undeveloped lot from the Declarant for the purpose of the development.

ARTICLE II: PROPERTY RIGHTS:

2.01 Declarant shall form a non-profit corporation under the laws of the Commonwealth of Pennsylvania to be known as Walnut Ridge Home Owners Association, Inc. or a similar name approved by the Pennsylvania Department of State, shall grant and convey said Common Area to the Association within Sixty days of the date of this Declaration; and shall record this Declaration with the Montgomery County Recorder of Deeds in Norristown, Pa. All Agreements of Sale and Deeds by which Declarant sells, grants or conveys any lot to an Owner shall contain a provision giving adequate notice to the Owner or prospective Owner that said conveyance is under and subject to the terms and provisions of this Declaration.

OWNERS' EASEMENTS OF ENJOYMENT

2.02 Every owner and his immediate family shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every lot. Said right and easement shall include but not be limited to a right for vehicular ingress and egress over any roadways or walkways that are part of the Common Area or are situate within any portion of the Common Area which is or may become subject to this Declaration. Said right and easement shall be subject to the following provisions:

(a) The right to the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed Sixty days for any infraction of its published rules and regulations after hearing by the Board of Directors of the Association;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public municipality, agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by three-quarters of each class of members as defined under Article III hereof, agreeing to such dedication or transfer has been recorded.

(d) The right of individual Owners to the exclusive use of parking spaces and front and rear yards as provided in this Article.

DELEGATION OF USE

2.03 Any owner may delegate in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

PARKING SPACES AND FRONT AND REAR YARDS:

2.04 (a) Ownership of each lot shall entitle the Owner or Owners thereof to the exclusive use of not more than one automobile parking space, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association shall permanently assign one vehicle parking space for each dwelling.

(b) Ownership of each lot shall entitle the Owner or Owners thereof to the exclusive use of an area the full width of the Lot for a distance of 20 feet to the front of the dwelling and 15 feet to the rear of the dwelling of each Lot or vice versa as designated by the Association. Said Owner or Owners shall also have the exclusive responsibility to repair and maintain said area, including but not limited to shoveling snow, cutting grass and landscaping, subject to the provisions of Article VIII hereof.

RIGHTS OF FIRST MORTGAGEES:

2.05 (a) Unless at least seventy-five percent of the first mortgagees (based upon one vote for each first mortgage) of Lots have given their prior written approval, Association shall not be entitled to:

(1) by Act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by such Association for the benefit of Lots. The granting of easements for public utilities or for other public purposes consistent with the intended use of such property or the dedication or transfer set forth in Article II, Section 2.02, (c) hereof by the Association shall not be deemed a transfer within the meaning of this clause:

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(3) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of party walls or common fences and driveways or the upkeep of lawns and plantings in the common area;

(4) Fail to maintain Fire and Extended Coverage on insurable Common Area on a current replacement cost basis in an amount not less than One hundred percent of the insurable value (based on current replacement cost);

(5) Use hazard insurance proceeds for losses to Common Area for other than the repair, replacement or reconstruction of such improvements.

(b) First mortgagees of lots shall have the right to examine the books and records of the Association.

(c) First mortgagees of Lots may jointly or singly, pay taxes or other charges which are in default and which may have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

(d) Neither owners nor any other party shall have priority over any rights of first mortgagees of Owners pursuant to said mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of all or any portion of the Common Area.

ARTICLE III, MEMBERSHIP AND VOTING RIGHTS:

3.01 Every Owner of a Lot which is subject to assessment shall be a member of the association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to the assessments.

3.02 The Association shall have two classes of voting membership:

CLASS A

(1) Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B

(2) The Class B member(s) shall be the Declarant and shall be entitled to three votes for each lot owned. The Class B membership shall cease and be converted to Class A. membership on the happening of any of the following events, whichever occurs earliest:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

(b) On September 20, 1986.

ARTICLE IV, COVENANT FOR MAINTENANCE ASSESSMENTS:

Creation of the Lien and Personal Obligations of Assessments.

4.01 The Declarant for each Lot owned within the properties, hereby covenants and each Owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

PURPOSE OF ASSESSMENTS:

4.02 The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

MAXIMUM ANNUAL ASSESSMENT

4.03 Until May 1, 1978, the maximum annual assessment shall be One Hundred Twenty Dollars (\$120.00) per Lot.

(1) From and after May 1, 1978 the maximum annual assessment may be increased each year not more than ten percent above the maximum assessment for the previous year without a vote of the membership.

(2) From and after May 1, 1978, the maximum annual assessment may be increased more than ten percent (10%) by a vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(3) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Declarant shall be exempt from the payment of any annual assessment or charge with respect to any Lots owned by it (except those Lots upon which homes have been built and which are being inhabited by tenants of Declarant) unless the annual assessment levied upon the Owners of all other lots shall be insufficient in the aggregate to cover the actual cost of maintaining the Common Area to the extent imposed upon the Association in this Declaration. In case of any such insufficiency, Declarant shall be responsible for the payment of the same, not to exceed the total annual assessments and charges it would otherwise be required to pay if this exemption did not exist.

SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS

4.04 In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

RESERVE FUND

4.05 The Association shall establish an adequate reserve fund for the replacement of the common property which shall be funded by regular monthly assessments and not by a special assessment.

NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER PARAGRAPHS 4.03, 4.04

4.06 Any action authorized under Paragraph 4.03 or 4.04 shall be taken at a meeting called for the purpose, written notice of which shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

UNIFORM RATE OF ASSESSMENT

4.07 Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES

4.08 The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, on demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION

4.09 Any assessment not paid within thirty days (30) after the due date shall bear interest from the due date at the rate of Six Percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

SUBORDINATION OF THE LIEN TO MORTGAGES:

4.10 The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

NOTICE TO FIRST MORTGAGEES:

4.11 Upon request of the First Mortgagee of any of the Lots, the Association shall notify said Mortgagee in writing of any default by the Owner of such lot in the performance of the Owner's obligation herein set forth which has not been cured within thirty days of its occurrence.

ARTICLE V - ARCHITECTURAL CONTROL

5.01 No building, fence, wall or other structure shall be commenced, erected or maintained on the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI - GENERAL PROVISIONS

ENFORCEMENT:

6.01 The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants reservations, liens and charges nor or hereafter imposed by the provisions of this Declaration.

Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SEVERABILITY:

6.02 Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

AMENDMENT:

6.03 The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of Ten years. This Declaration may be amended during the first twenty year period by an instrument signed by not less than ninety percent (90%) of lot owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

ARTICLE VII - PARTY WALLS, GENERAL RULES OF LAW TO APPLY:

7.01 Each wall which is built as part of the original construction of the homes upon the Properties and placed on the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this ARTICLE VII, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply thereto.

SHARING OF REPAIR AND MAINTENANCE:

7.02 The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

DESTRUCTION BY FIRE OR OTHER CASUALTY:

7.03 If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice. However, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

WEATHERPROOFING:

7.04 Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

RIGHT OF CONTRIBUTION RUNS WITH THE LAND:

7.05 The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

PROTRUSION:

7.06 In the event any portion of any structure, as originally constructed by the Declarant or its subcontractors, contractors, successors or assigns, including any party wall or fence, shall protrude over an adjoining lot, such structure, party wall or fence shall not be deemed to be an encroachment upon the adjoining Lot or Lots and Owners shall neither maintain any action for the removal of a party wall or fence or projection, or any action for damages. In the event there is a protrusion as described in the immediately preceding sentence, it shall be deemed that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection, party wall or fence.

The foregoing shall also apply to any replacements of any structures, party walls or fences if the same are constructed in conformance with the original structure, party wall or fence constructed by the Declarant.

ARTICLE VIII - EXTERIOR MAINTENANCE:

8.01 In the event an Owner of any Lot in the Properties shall fail to maintain the premises and improvements situated thereon and the area set forth in Section 2.04 (b) hereof in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds vote of the Board of Directors, shall have the right, through its agents and employees to enter upon said parcel and to repair, maintain and restore the lot, the exterior of the buildings any other improvements erected thereon and the area set forth in Section 2.04 (b) hereof. The cost of such exterior repair, maintenance and restoration shall be added to and become part of the assessment to which such Lot is subject.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 20th day of September, 1976.

